

# **MINUTES**

CPE Meeting

**February 10, 2012**

**MINUTES**  
**Council on Postsecondary Education**  
**February 10, 2012**

The Council on Postsecondary Education met Friday, February 10, 2012, at 9 a.m. at the Council on Postsecondary Education in Frankfort, Kentucky. Chair Pam Miller presided.

**WELCOME**

Ms. Miller welcomed everyone to the meeting.

**ROLL CALL**

The following members were present: Glenn Denton, Dan Flanagan, Joe Graviss, Dennis Jackson, Nancy McKenney, Pam Miller, Donna Moore, Kirby O'Donoghue, Lisa Osborne, Marcia Ridings, Jim Skaggs, and Joe Wise. Terry Holliday and Joe Weis did not attend.

**APPROVAL OF  
MINUTES**

The minutes of the November 10 meeting were approved as distributed.

**RESOLUTION**

Ms. Miller read a resolution honoring and commending Governor Patton for his service to the Council. Governor Patton resigned from the Council in December 2011.

MOTION: Mr. Flanagan moved that the resolution be adopted. Ms. Osborne seconded the motion.

VOTE: The motion passed.

**ELECTION OF CPE  
CHAIR AND VICE  
CHAIR**

The Nominating Committee recommended that Pam Miller be elected as chair and Dan Flanagan be elected as vice chair to serve a term ending January 31, 2013.

MOTION: Mr. Denton moved that the recommendation be approved. Mr. Graviss seconded the motion.

VOTE: The motion passed.

**STRATEGIC AGENDA  
PRESENTATION -  
2011 PERFORMANCE  
UPDATE AND DRAFT  
ACCOUNTABILITY  
REPORT**

Dr. John Hayek, CPE's senior vice president for budget, planning, and policy, and Dr. Heidi Hiemstra, CPE's assistant vice president for information and research, provided an update on the 2011 Postsecondary Education Draft Accountability Report. The accountability report will be the first one based on the *Stronger by Degrees* Strategic Agenda. The report will provide an overview of progress made in the first year of the plan and highlights steps being taken to move the Strategic Agenda forward. The final publication is expected at the end of February.

**PERFORMANCE  
PRESENTATIONS –  
MURRAY STATE  
UNIVERSITY,  
UNIVERSITY OF  
KENTUCKY**

Dr. Randy Dunn, MuSU's president, provided the Council an update on MuSU's progress.

Dr. Eli Capilouto, UK's president, provided the Council an update on UK's progress.

Regarding the Lung Cancer Research Board, Mr. Graviss asked Dr. Capilouto to assist with sharing data on research funding to medical and health fields in order to help change behavior of Kentuckians.

A written report from Mr. King was distributed. Highlights of his report include:

- *University of Pikeville Study* – The Finance and Administration Cabinet has awarded a contract to the National Center for Higher Education Management Systems (NCHEMS) of Boulder, Colorado, to conduct a study of the University of Pikeville.

The contract requires NCHEMS to analyze the following areas:

- The extent of postsecondary need in the region (southeastern Kentucky).
- The existing capacity of the University of Pikeville to meet the region's needs, along with its financial capacity, including matters pertaining to debt, post-retirement benefit liabilities, endowment management, physical resources, technology utilization, student-support capacities, workforce issues, strategic planning, and accreditation.
- Additional resources that might be necessary.
- The impact of a public University of Pikeville on other public institutions.
- How a public University of Pikeville might affect *The Postsecondary Improvement Act of 1997 (HB 1)*.
- The identification of other options, i.e., alternative approaches to address the higher education needs of the region.

Staff from NCHEMS spent several days in Frankfort meeting with elected and appointed officials from both the executive and legislative branches as well as higher education leaders. Staff from NCHEMS has also met with University of Pikeville officials and community leaders in Pikeville.

The contract calls for a report to be provided to the Governor by March 15. Mr. King stated the Council may hold a special meeting in March to review the report in order to provide a recommendation on behalf of the Council to Governor Beshear.

- *Revisions to Council's Admissions Regulation now in effect* – 13 KAR 2:020, the Council's admission regulation, was revised to reflect the newly aligned standards and performance indicators and the change in minimum high school graduation requirements. The revisions to the regulation will take effect fall 2012. The revised regulation reflects the new academic standards and learning outcomes that indicate readiness for credit-bearing English, mathematics, and reading intensive courses and a set of common college readiness indicators for the three subject areas. These indicators will be used by K-12, adult education, and all public postsecondary institutions as intervention programs and postsecondary bridge and transition programs are designed.
- *National Forum* – Kentucky has been acknowledged as a national leader in education reform with the process being used to implement the Common Core State Standards. With sponsorship from national and local leaders in education, the Council is hosting a national forum in Louisville, February 27-29 at the Louisville Marriott Downtown. *Architecture for Implementing the Common Core Standards: Strategies, Partnerships, & Progress* will build next steps for Kentucky and highlight college and career readiness strategies and implementation of the common core standards in elementary, secondary, and postsecondary education.

In addition to attendees from all Kentucky public and private higher education institutions and the P-12 leadership networks, there are participants from 16 states, including the higher education leaders from the assessment consortia and eight national organizations focused on improving education. The audience for this event encompasses the P-20 continuum and includes presidents of universities, deans, faculty, superintendents, K-12 teachers, school leaders, and policy makers.

- *Student Success Summit* – The Council will host a Student Success Summit on April 2-3 at the Louisville Downtown Marriott. Speakers include nationally known student success experts, including George Kuh, Joe Cuseo, Larry Abele, and Tom DeWit. Workshop sessions will focus on the first year experience, high-impact educational practices, and closing the achievement gap.
- *Education and Labor Market Study* – The Council was recently awarded a small grant from the National Governor’s Association to produce a report and stimulate a statewide discussion among policy leaders looking at gaps between current and projected labor market needs and degree production, especially in high-wage and high-demand fields and other areas linked to economic growth and community. This project is consistent with strategy 7.1 of *Stronger by Degrees*, which is intended to strengthen and expand partnerships with business, industry, government, nonprofit, and other educational entities to meet Kentucky’s workforce and community needs. The study will be conducted by MGT of America, headquartered in Tallahassee, Florida, and is scheduled to be completed by the summer of 2012.
- *Kentucky Delivery Network* – The Council staff, working in collaboration with institutional representatives at ECU, KCTCS, KSU, MoSU, and NKU and staff from the U.S. Education Delivery Institute (EDI), launched the Kentucky Delivery Network in January 2012. EDI is a non-profit organization, based in Washington, D.C., that helps translate postsecondary education system reform goals into improved student outcomes. EDI adapts and applies a proven performance management approach known as “Delivery.” It was pioneered by Sir Michael Barber with his work for Prime Minister Tony Blair in the United Kingdom. Kentucky’s Delivery Network is a voluntary support structure and forum for institutional representatives to increase the rigor of their strategic implementation processes in order to achieve the institutional performance targets by 2015.
- *GEAR UP Kentucky Student* – Joshua Sparks, a GEAR UP Kentucky student and a graduate of Eastern Kentucky University, will address approximately 1,100 education professionals as the featured luncheon speaker of the 2012 NCCEP-GEAR UP Capacity-Building Workshop in New York City, on February 12-15. The workshop is designed and coordinated by the National Council for Community and Education Partnerships (NCCEP) and planned in conjunction with the U.S. Department of Education for the GEAR UP (Gaining Early Awareness and Readiness for Undergraduate Programs) program. Josh will share his perspective on how participating in the GEAR UP Kentucky program helped him become a college graduate. Josh graduated in May 2011 after four years at ECU, during which time he participated in an internship at the Department of the Treasury in Washington, D.C., studied in London for a semester, and was deeply involved in numerous student organizations. After graduation, he studied sociology at the University of Toronto and is currently pursuing a master’s degree in statistics at George Washington University, with plans to pursue a doctorate in mathematics.

Josh is a graduate of the first GEAR UP program (2000-06). The Council is working to collect data and identify other GEAR UP students from the first grant that have successfully graduated from college. This spring, a comprehensive report will detail the results of the second GEAR UP program (2005-11), which recently graduated its first high school cohort.

KNOWHOW2  
TRANSFER WEBSITE  
PRESENTATION

The website presentation was postponed to the April Council meeting due to the website being down with the vendor, CollegeSource Inc.

2012-13 TUITION  
POLICY

Dr. Hayek said the proposed tuition and fee policy is the same policy used in the 2011-12 process. The fundamental objectives of the tuition policy include funding adequacy, shared benefits and responsibility, affordability and access, attracting and importing talent, and effective use of resources.

Dr. Hayek said that the Special Use Fee Exception Policy approved by the Council in 2011 has been included as part of the tuition policy.

It is anticipated that the Council will take action on recommended tuition parameters at the April 20 meeting and approve each institution's proposed tuition and mandatory fee rates at the June 21 meeting.

Mr. Denton requested details on college affordability in the current environment to determine if a tipping point has been reached in regards to college affordability.

Mr. King said that he recently met with the Student Government Association presidents and shared financial details in regards to tuition. He stated that he will meet again with the SGA presidents prior to the Council taking final action on the tuition rates for 2012-13.

MOTION: Mr. Graviss moved that the proposed tuition and fee policy be approved. Ms. O'Donoghue seconded the motion.

VOTE: The motion passed.

SPECIAL USE FEE  
IMPLEMENTATION  
UPDATE

Dr. Hayek and Dr. Bill Payne, CPE's senior associate for finance, provided an update on the Special Use Fee Policy implementation. The update included responses to questions posed by Council staff to each institution that received approval for a special use fee exemption in 2011 - Morehead State University, Northern Kentucky University, the University of Louisville, and Western Kentucky University.

Based on the institutional responses, students at every campus continue to fully support their respective special use fees.

INTERIOR  
RENOVATION OF  
ATWOOD RESEARCH  
BUILDING, KENTUCKY  
STATE UNIVERSITY

Mr. Sherron Jackson, CPE's associate vice president for finance, presented the recommendation that the Council approve the request of Kentucky State University to renovate the interior of the Atwood Research Building with \$2,000,000 of Land Grant Program funds (USDA).

Kentucky State University proposes an interior renovation of the Atwood Research Building using \$2,000,000 of funds from the federal land grant program. The expenditure of the funds is permitted per federal regulation, NARETPA § 1445(a)(3), which specifically allows research formula funds to be used for the construction and repair of buildings necessary for conducting agricultural research. The project scope is \$2,000,000. The project was approved by the Kentucky State University Board of Regents at its January 27, 2012, meeting.

Atwood Research Building is located on the Kentucky State University main campus at 400 East Main Street in Frankfort, Kentucky, and is the university's primary biological research facility. The renovation will replace the obsolete and inefficient heating, ventilating, and cooling system which has exceeded its functional life and is now experiencing significant problems. The project will repair and redesign the interior spaces to better match the current needs of the biology department. Approximately 10,000 of 26,585 total square feet will be addressed in the renovation. The project is scheduled to be completed by summer 2013.

MOTION: Mr. Flanagan moved that the recommendation that the Council approve the request of Kentucky State University to renovate the interior of the Atwood Research Building with \$2,000,000 of Land Grant Program funds (USDA) be approved. Mr. Graviss seconded the motion.

VOTE: The motion passed.

CONSTRUCT  
UK/NICHOLASVILLE  
ROAD FLOOD  
MITIGATION,  
UNIVERSITY OF  
KENTUCKY

Mr. Jackson presented the recommendation that the Council approve the request of the University of Kentucky to construct the UK/Nicholasville Road flood mitigation project with \$6,012,000 of grant funds from the Federal Emergency Management Agency (FEMA) and the in-kind value \$2,004,000 of 3.6 acres of UK property designated for the project by the university. The project scope is \$8,016,000. The University of Kentucky Board of Trustees approved the project at its December 13, 2011, meeting.

The University of Kentucky recently undertook a Storm Water Model study of approximately 39,000 feet of conduits and open channels in the Town Branch and Wolf Run watersheds on campus. This model study was used as the basis for a FEMA grant application, which the university was successful in obtaining. The project is scheduled to be completed by spring 2013.

MOTION: Ms. O'Donoghue moved that the recommendation that the Council approve the request of the University of Kentucky to construct the UK/Nicholasville Road flood mitigation project with \$6,012,000 of grant funds from the Federal Emergency Management Agency (FEMA) and the in-kind value \$2,004,000 of 3.6 acres of UK property designated for the project by the university be approved. Ms. Moore seconded the motion.

VOTE: The motion passed.

RENOVATE/UPGRADE  
SOFTBALL COMPLEX,  
UNIVERSITY OF  
KENTUCKY

Mr. Jackson presented the recommendation that the Council approve the request of the University of Kentucky to renovate/upgrade the Softball Complex with \$7,500,000 of private funds from the university's Department of Athletics. The project scope is \$7,500,000. The University of Kentucky Board of Trustees approved the project at its December 13, 2011, meeting.

The University of Kentucky Athletics facility plan calls for the softball facilities to be renovated, including the locker, shower, restroom, and lounge facilities. The proposed project will include the following related renovations and upgrades: the locker area for umpires; team equipment storage; additional seating along both lines; new press box which may have the ability to service the soccer field as well as the softball field; and other amenities as deemed feasible. The softball fields are not included in this renovation project.

The project will allow the university to host the 2013 Southeastern Conference (SEC) Softball Tournament as requested by the Southeastern Conference. With the improvements, the softball complex will meet all requirements of the conference. The project is scheduled to be completed by spring 2013.

MOTION: Mr. Jackson moved that the recommendation that the Council approve the request of the University of Kentucky to renovate/upgrade the Softball Complex with \$7,500,000 of private funds from the university's Department of Athletics be approved. Mr. Flanagan seconded the motion.

VOTE: The motion passed.

PH.D. IN CLINICAL  
AND TRANSLATIONAL  
SCIENCE, UNIVERSITY  
OF KENTUCKY

Dr. Melissa Bell, CPE's director of student success, presented the recommendation that the Council approve the proposed Ph.D. program in Clinical and Translational Science (CIP 51.1401- Medical Scientist) at the University of Kentucky.

The Ph.D. in Clinical and Translational Science (CTS) program is designed to improve the health of the citizens of Kentucky and the nation by training professionals with terminal professional health care degrees to conduct clinical and translational science research. CTS is an academic discipline that focuses on acceleration of the translation of basic science advances to tangible improvements in public health.

The program includes a curriculum providing education in: (1) the core competencies of CTS; (2) advanced interdisciplinary education and research training tailored to the research interests and career objectives of individual students; and (3) mentored research training.

The University of Kentucky has significant strength in its existing health-related graduate programs and associated curricula addressing key academic content areas of relevance to clinical and translational science (e.g., Nursing, Pharmacy Practice and Science, Health Sciences, Rehabilitation Sciences, and Epidemiology and Biostatistics).

MOTION: Ms. Ridings moved that the recommendation that the Council approve the proposed Ph.D. program in Clinical and Translational Science (CIP 51.1401- Medical Scientist) at the University of Kentucky be approved. Ms. Osborne seconded the motion.

VOTE: The motion passed.

M.A. IN  
MATHEMATICS,  
EASTERN KENTUCKY  
UNIVERSITY

Dr. Bell presented the recommendation that the Council approve the M.A. in Mathematics (CIP 27.0101 – Mathematics, General) proposed by Eastern Kentucky University.

Eastern Kentucky University proposes a master's degree program in mathematics that is designed for certified high school teachers who wish to broaden their knowledge of the mathematics related to the field in which they teach. The program will also provide the necessary mathematical content for certified teachers to teach dual-credit courses at the secondary level, instruct at a postsecondary institution, or serve as a Mathematics Specialist.

The proposed degree contains two options: Secondary Mathematics and Mathematics Specialist. The first option, Secondary Mathematics, includes 18 graduate hours of mathematics content, nine hours of mathematics application, and three hours for the graduate thesis. The second option, Mathematics Specialist, includes 12 hours of mathematics content, nine hours of mathematics application, six hours of electives, and three hours for the graduate thesis.

The faculty members who have created this program have done so in coordination with local school districts, as part of an integrated approach to solve the region's difficulties in STEM+H areas. Because this degree targets secondary school teachers, EKV believes this is one prong in an integrated approach to strengthening math skills in the region and encouraging high school students to pursue math or STEM+H fields when they enter the university.

MOTION: Dr. McKenney moved that the recommendation that the Council approve the M.A. in Mathematics (CIP 27.0101 – Mathematics, General) proposed by Eastern Kentucky University be approved. Ms. Osborne seconded the motion.

VOTE: The motion passed.

#### 2012 LEGISLATIVE SESSION UPDATE

Ms. Lee Nimocks, CPE's chief of staff, and Mr. Ron Carson, CPE's senior fellow and legislative liaison, provided a report on actions related to postsecondary education resulting from the 2012 legislative session.

#### 2012-14 EXECUTIVE BUDGET RECOMMENDATION SUMMARY

Dr. Hayek provided a summary report of the 2012-14 executive budget recommendation released by Governor Beshear on January 17, 2012.

Highlights from the summary included:

- Includes no revenue from new taxes or expanded gaming.
- Proposes cuts to most state agencies of 8.4 percent in FY13 and straight-lined budgets in FY14.
- Some priority areas were increased (state employee retirement and health insurance, Corrections, Medicaid, Pre-school) or exempted from cuts (SEEK, Student Financial Aid, Veterans' Affairs). Some areas received a smaller reduction than the 8.4 percent (K-12 Non-SEEK, Education and Workforce, Justice and Public Safety, Postsecondary Education).
- Recommends a 6.4 percent General Fund reduction in FY13 and a straight-lined budget in FY14 for institutional operations.
- Includes GF debt service for \$25 million in asset preservation/renovation.
- Includes one state supported capital project at Murray State University.
- Allows the institutions to fund \$451 million in capital projects with agency bonds.
- Maintains funding (including tuition increases) for 164 veterinary spaces and 44 optometry spaces in the Contract Spaces Program.
- Proposes an 8.4 percent reduction to all other areas of CPE's Agency Budget in FY13 and straight-lines the budget in FY14. Debt service of \$629,000 in FY13 and \$1,887,000 in FY14 is included in the Physical Facilities Trust Fund to support \$25 million for postsecondary education asset preservation/renovation capital projects.
- Includes \$1,558,500 in both FY13 and FY14 to support SB 1 (2009) implementation.
- Dedicates 100 percent of the value of the lottery revenues for student financial aid.

- Fully funds the KEES program at \$101.7 million in FY13 and \$102.5 million in FY14.
- Funds Kentucky's need-based financial aid program, the College Access Program (CAP), at \$58.9 million in both FY13 and FY14. (Funding in FY12 is \$60.6 million.)
- The Kentucky Tuition Grant (KTG), need-based aid specifically for students who attend independent colleges and universities, is funded at \$31.6 million in both FY13 and FY14. (Funding in FY12 is \$32.5 million.)

## 2012 DEGREE PROGRAM ELIGIBILITY

Dr. Rana Johnson, CPE's chief diversity officer, provided an update on the 2011-15 Kentucky Public Postsecondary Education Diversity Policy and Framework for Institutional Diversity Plan Development 2012 Degree Program Eligibility.

The assessment is an annual report card that describes institutional success in implementing strategies to achieve the objectives of the 2011-15 Kentucky Public Postsecondary Education Diversity Policy and Framework for Institutional Diversity Plan Development.

Based on the success in enrolling and retaining a diverse group of students and employing a diverse workforce, the majority of Kentucky's public postsecondary institutions qualify for the most favorable category of eligibility under KRS 164.020(19). Eight universities and 11 community and technical colleges qualify for automatic status in 2012.

All eight universities are automatically eligible to propose new degree programs. Two universities, Eastern Kentucky University and the University of Kentucky, showed progress on all objectives. Morehead State University, Murray State University, the University of Louisville, and Western Kentucky University showed continuing progress on seven of eight objectives. Kentucky State University and Northern Kentucky University showed progress on six objectives.

In the Kentucky Community and Technical College System, 11 institutions are automatically eligible to propose new degree programs in 2012. Five KCTCS institutions must request a waiver of the requirements of KRS 164.020(19) to be eligible to offer new academic programs in 2012. Three institutions showed progress on each of the six objectives. Three made progress on five objectives and five showed continuing progress on four of six objectives.

After review of the evaluation results by the Committee on Equal Opportunities, the degree program eligibility status reports will be forwarded to the institutional presidents.

## GEAR UP KENTUCKY UPDATE

Dr. Aaron Thompson, CPE's senior vice president for academic affairs, provided an update on GEAR UP Kentucky.

In September 2011, the Council on Postsecondary Education received a \$26.9 million grant award over six years from the U.S. Department of Education for GEAR UP (Gaining Early Awareness and Readiness for Undergraduate Programs), an initiative to support college readiness outreach and strengthen postsecondary partnerships. Kentucky was one of only 19 states to receive a new award in 2011 out of the 47 existing GEAR UP states. This is the third state GEAR UP grant the Council has received and is referred to as GEAR UP Kentucky 3.0 (GUK 3.0). Earlier awards were \$10 million (2000) and \$21 million (2005).

The GUK 3.0 project has been designed to support the shared goals of the GEAR UP program, the CPE Strategic Agenda, the Unified Strategy for College and Career Readiness, and Kentucky's landmark college readiness legislation, Senate Bill 1 (SB 1) to increase graduation rate and postsecondary enrollment and reduce the need for remediation at the postsecondary level. Each GUK 3.0 objective has been designed to promote specific actions and outcomes in line with each of the three national GEAR UP goals.

GUK 3.0 will provide services for 29 middle schools located in rural areas, with a few exceptions in the northern Kentucky, Lexington, and Louisville urban regions. Using the cohort model, GUK 3.0 will serve approximately 10,000 students in three cohorts over the project period by providing direct services for students and parents, school improvement services, and statewide services.

The prior GEAR UP program continues today through an extension of funds that will end August 2012. A full six-year report will be available late spring, which will detail the impact of GEAR UP on the schools it served, describe collaborations and partnerships to increase college readiness by service regions, and report the findings of two independent evaluations of the program.

#### COMMISSIONER OF EDUCATION REPORT

Commissioner Holliday was not available to attend the February 10 meeting but did provide a written report included in the agenda book.

#### CPE COMMITTEE APPOINTMENTS

Ms. Miller appointed members to the Council's executive committee. The membership of this committee consists of the Council chair and vice chair plus three additional members appointed by the chair. The three appointed members serve one-year terms, ending January 31 of each year.

Ms. Miller appointed Glenn Denton, Joe Graviss, and Jim Skaggs.

Ms. Miller reported that she has made the following appointments and reappointments to the CPE's Committee on Equal Opportunities:

- Appointments: Ms. Kim Barber to serve a four-year term, Mr. Arthur Lucas to serve a four-year term, Ms. Joanne Bland to serve a two-year term, Mr. Juan Castro to serve a two-year term, and Mr. Willis Polk to serve a two-year term.
- Reappointments: Mr. David Welch to serve a four-year term, Mr. Wendell Thomas to serve a four-year term, and Mr. Jerome Bowles to serve a two-year term.

REPORTS FROM  
INSTITUTIONS

Ms. Miller called attention to the reports from the institutions included in the agenda book.

NEXT MEETING

The next Council meeting is April 19-20 at the University of Kentucky in Lexington, Kentucky.

ADJOURNMENT

The meeting adjourned at 11:50 a.m.



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Robert L. King  
CPE President



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Tammie L. Clements  
Associate, Executive Relations



**REVISED AGENDA**  
Council on Postsecondary Education  
Friday, February 10, 2012  
9:00 a.m.  
CPE Meeting Room A, Frankfort, Kentucky

Welcome

Roll Call

Approval of Minutes ..... 1

Resolution

ACTION: Election of CPE Chair and Vice Chair ..... 15

**Strategic Agenda Presentation**

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**Performance Presentations**

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3. University of Kentucky

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Other Business

Next Meeting – April 19-20, 2012, University of Kentucky

Adjournment

\* A lunch break will be taken midway through the meeting (lunch provided for CPE members only).  
CPE meeting materials are available on the Council website at <http://cpe.ky.gov/about/cpe/meetings/>.



**Council on Postsecondary Education  
February 10, 2012**

**Election of CPE Chair and Vice Chair**

The Nominating Committee will present the slate of officers to serve until January 31, 2013, for consideration by the full Council.

**Council on Postsecondary Education  
February 10, 2012**

## **2011 Postsecondary Education Accountability Report**

A working draft of the Council's new annual accountability report, the first one based on the *Stronger by Degrees* Strategic Agenda, will be discussed with the Council at its retreat on February 9 and will be shared at the beginning of the meeting on February 10. The report provides an overview of progress made in the first year of the plan and highlights steps being taken to move the Strategic Agenda forward. The final publication is expected at the end of February.

Staff preparation by Heidi Hiemstra

# STRONGER by DEGREES



## A STRATEGIC AGENDA for Kentucky Postsecondary and Adult Education

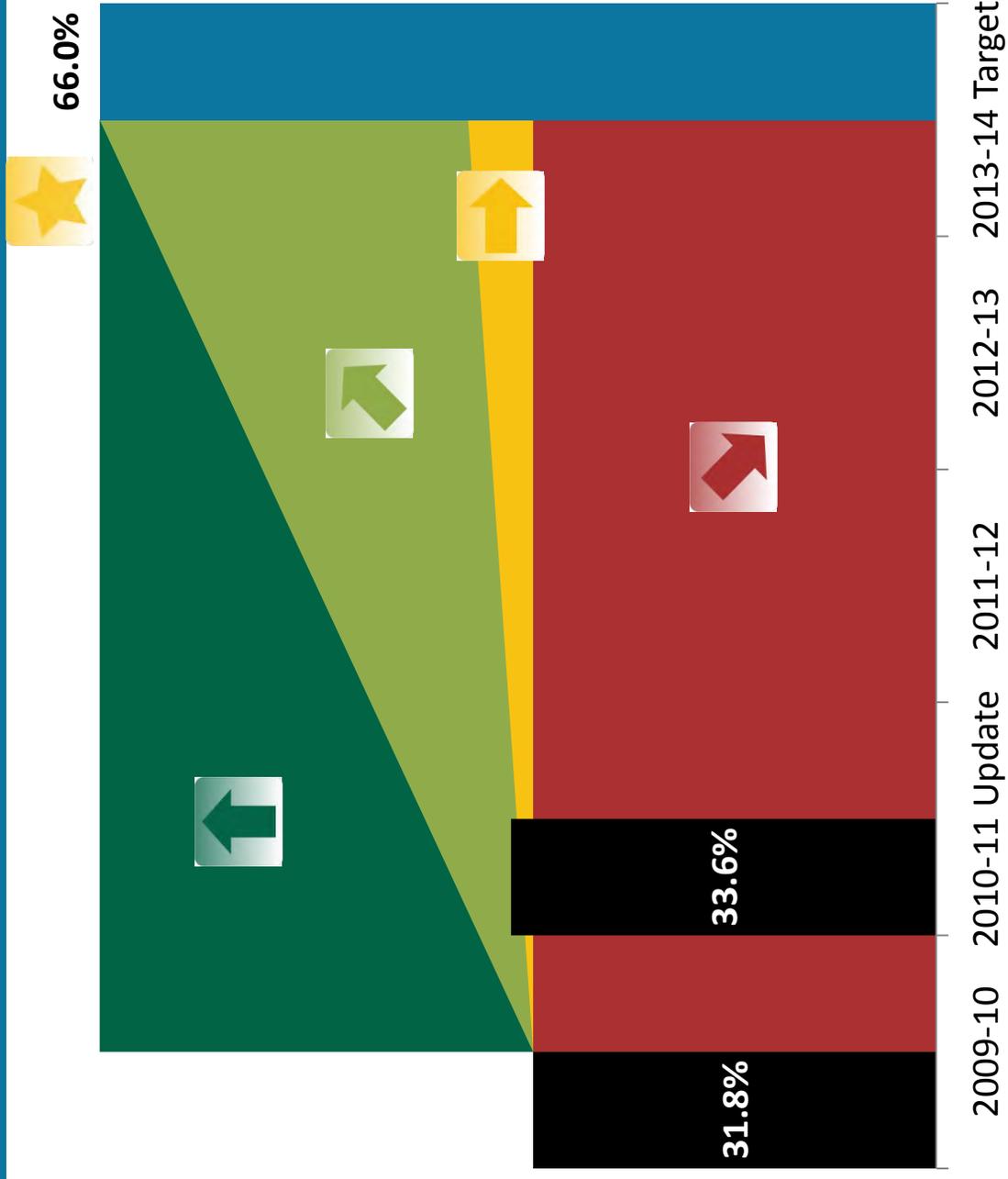


## 2010-11 Performance Update

Presentation to the Council on Postsecondary Education

February 10, 2012

# PROGRESS TRAJECTORY



**Met Target**



**Making Progress**



**Some Progress**



**No Progress**



**Losing Ground**



# STRONGER by DEGREES

A STRATEGIC AGENDA for Kentucky Postsecondary and Adult Education



## Statewide Performance Metrics

### College Readiness

Readiness of Kentucky high school graduates who enter college

GED® graduates

New teacher excellence (top 15% nationally)

Progress



### Student Success

Degrees and credentials conferred  
Graduation rates (bachelor's and associate)  
Graduation rate gaps of lower-income, underprepared, and underrepresented minority students  
State appropriations for public higher education  
Low-income students without grants

Progress



### Research, Economic, and Community Development

Research and development funding

Degrees and credentials in science, technology, engineering, mathematics, and health-related fields

Educational attainment at the associate or higher degree level, ages 25-44

Progress



### Efficiency and Innovation

Online learning

Degree productivity

Progress



# COLLEGE READINESS

*Policy Objective 1: Increase the number of college-ready Kentuckians entering postsecondary education.*



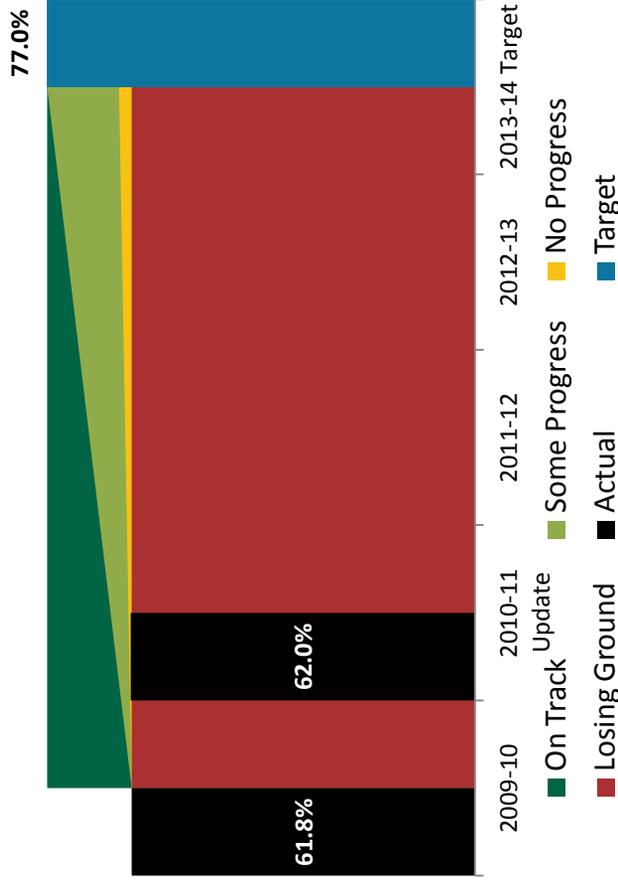
No Progress

## College readiness of college entrants

Percent of recent Kentucky high school graduates who entered college in Kentucky and met statewide standards for readiness in English, mathematics, and reading.

Source: CPE Comprehensive Database (KPEDS).

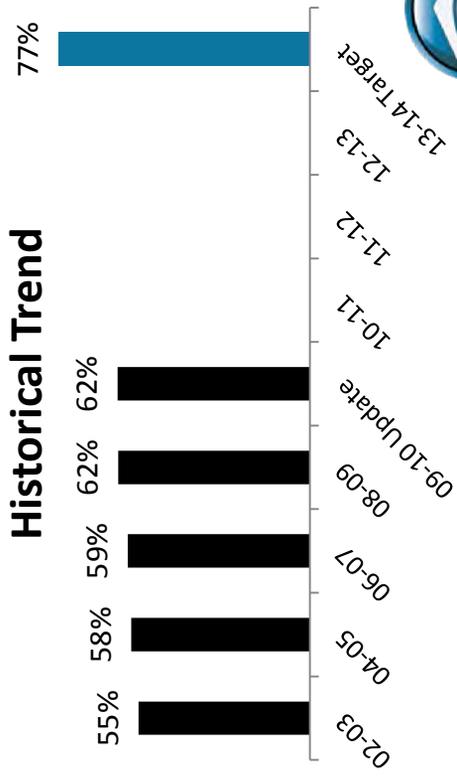
### Progress Trajectory



### Progress to Target

1%

### Historical Trend



# COLLEGE READINESS

Policy Objective 1: Increase the number of college-ready Kentuckians entering postsecondary education.



## Readiness of all high school graduates

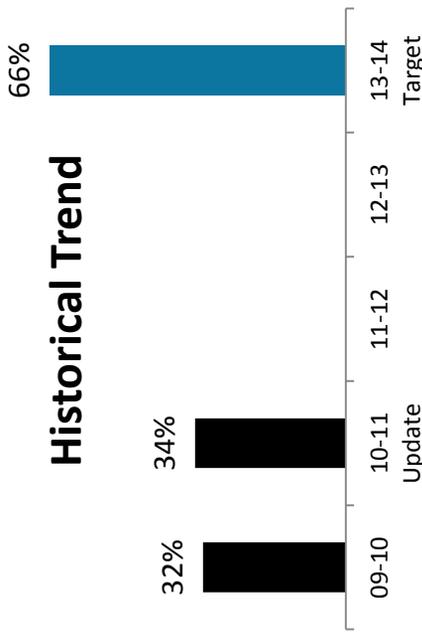
Percent of recent Kentucky public high school graduates in the region who met statewide standards for readiness in English, mathematics, and reading.

Source: Kentucky Department of Education (KDE), *High School Graduates College/Career Readiness Percentage*

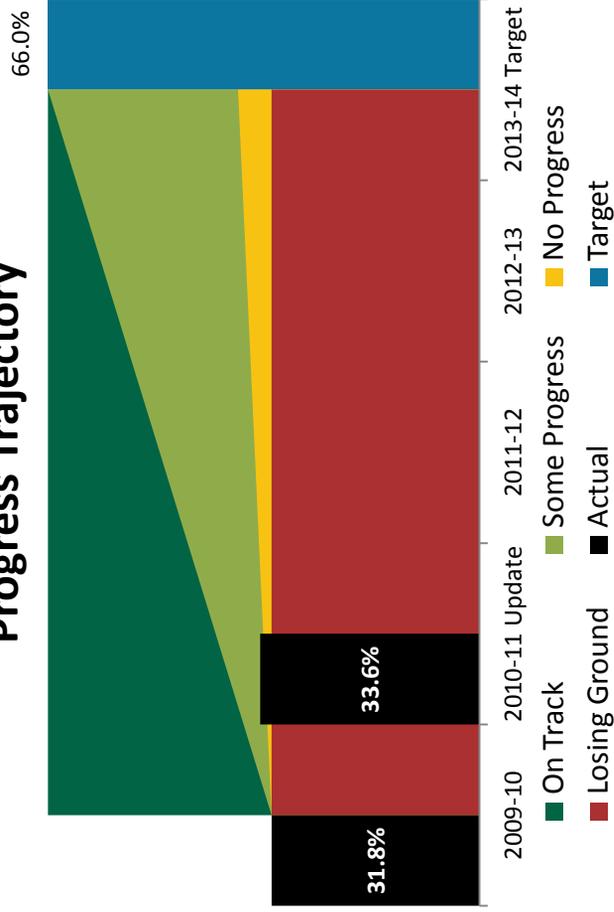
### Progress to Target



### Historical Trend



### Progress Trajectory



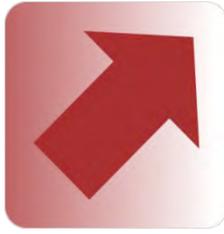
# COLLEGE READINESS

*Policy Objective 1: Increase the number of college-ready Kentuckians entering postsecondary education.*

## College-going rate of all high school graduates

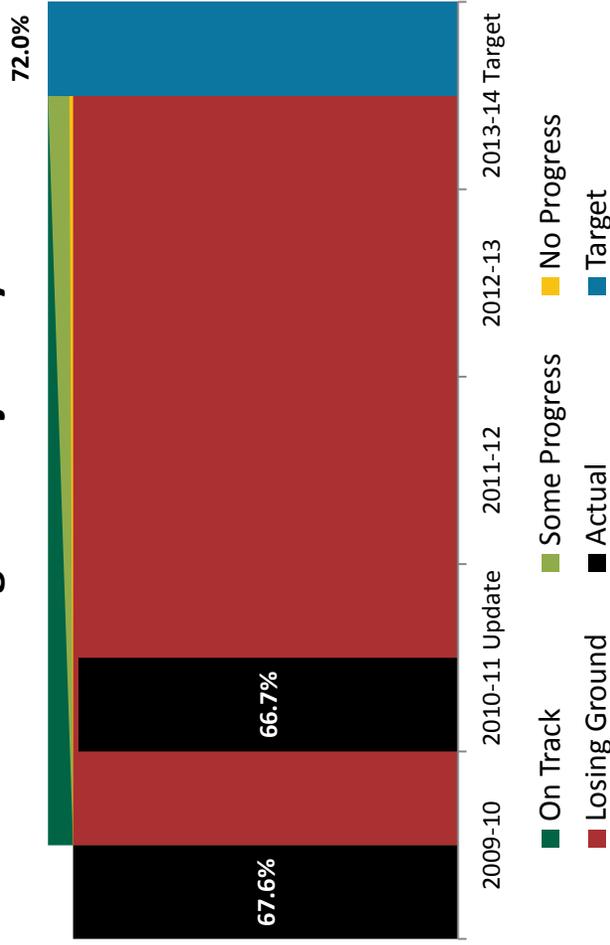
The percent of recent graduates of Kentucky high schools who enter any public, private or proprietary college or university in Kentucky.

Source: KHEAA Kentucky Educational Excellence Scholarship (KEES) database; National Student Clearinghouse Student Tracker; CPE Comprehensive Database (KPEDS)



Losing Ground

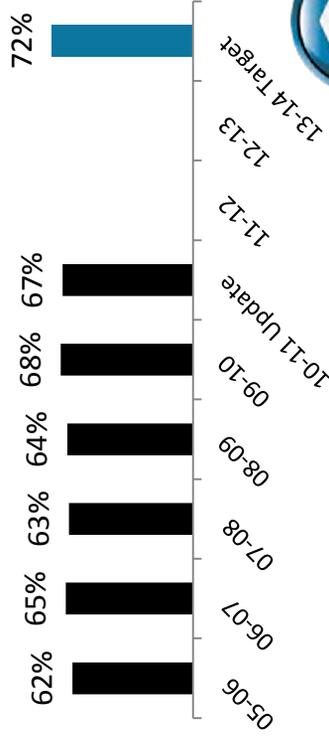
### Progress Trajectory



### Progress to Target

0%

### Historical Trend



# COLLEGE READINESS

Policy Objective 2. Increase the number of college-ready GED graduates.



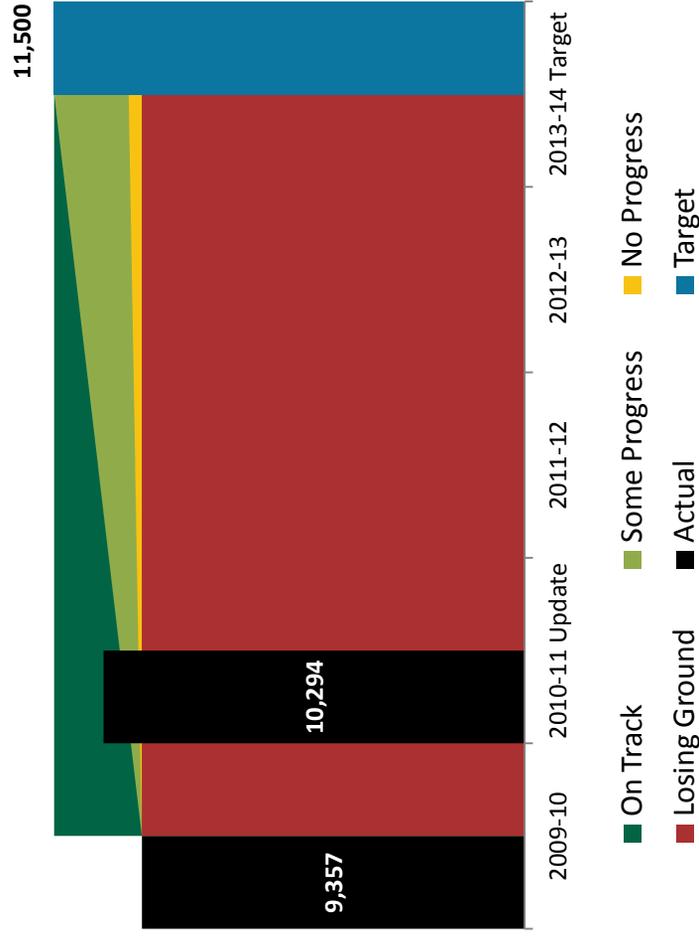
On Track

## GED® Graduates

Annual number of GED® graduates in Kentucky.

Source: CPE Comprehensive Database (KPEDS).

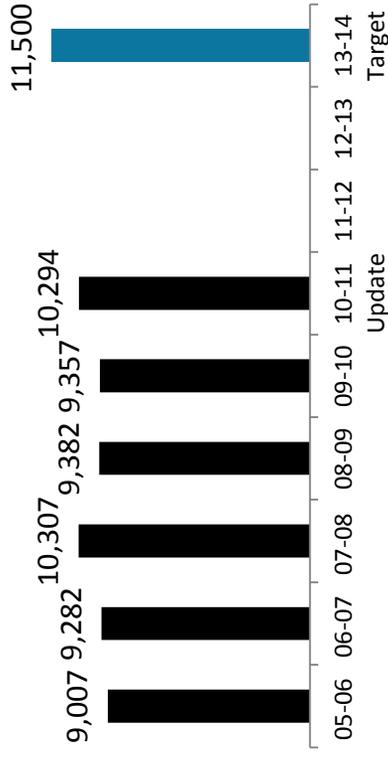
### Progress Trajectory



### Progress to Target



### Historical Trend



# COLLEGE READINESS

Policy Objective 3. Increase the effectiveness of Kentucky's K-12 teachers and school leaders.

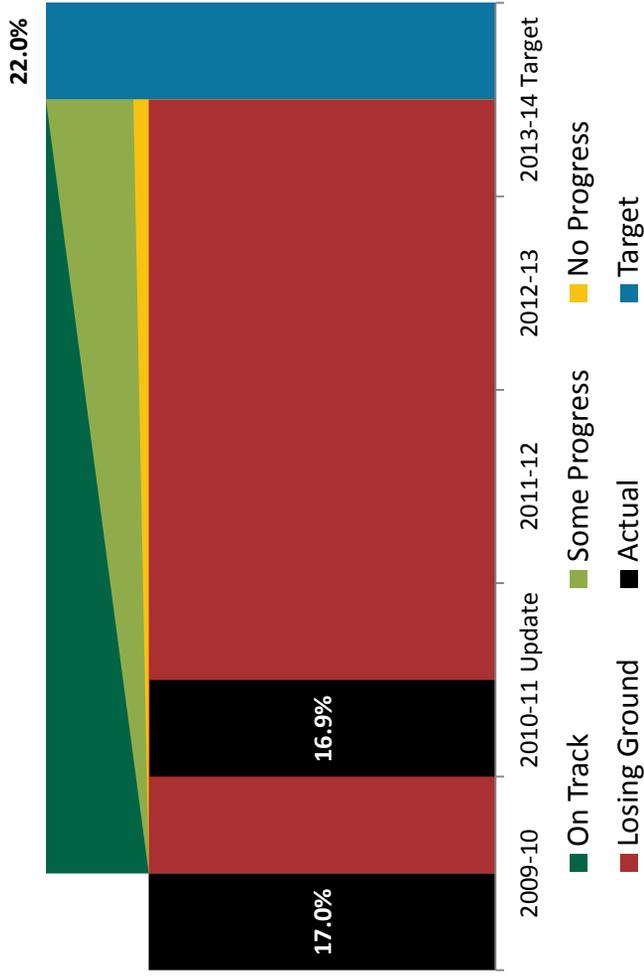


## New teacher excellence (top 15% nationally)

Percent of teaching program graduates scoring in the top 15 percent nationally on Praxis II Practice of Learning and Teaching (PLT) licensure exams (three-year smoothed average).

Data Source: Education Professional Standards Board from ETS Score Reports

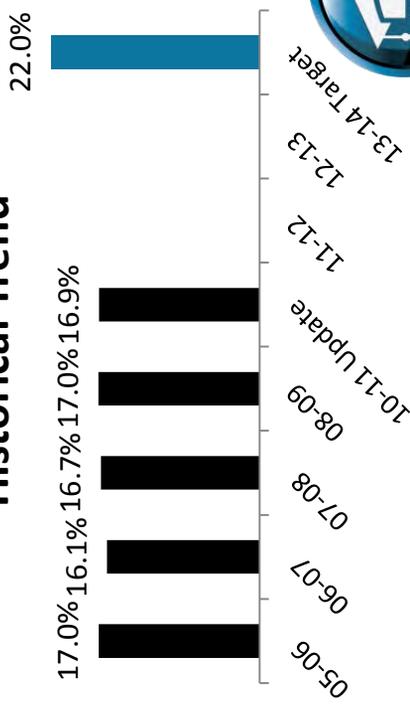
### Progress Trajectory



### Progress to Target



### Historical Trend



# STUDENT SUCCESS

*Policy Objective 4. Increase high quality degree production and completion rates at all levels and close achievement gaps*

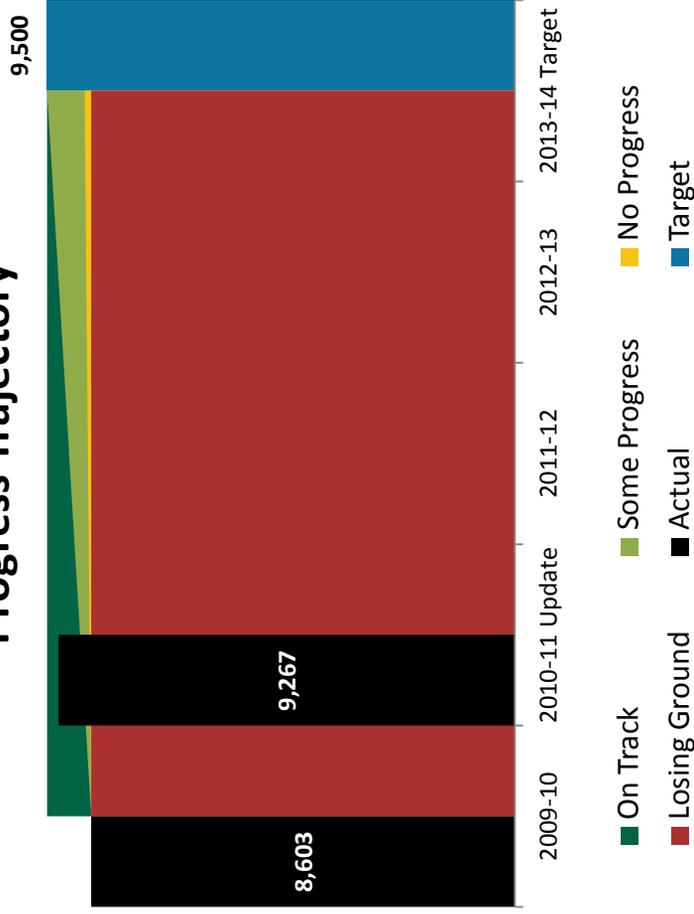


## Associate degrees conferred

Number of Associate degrees awarded at KCTCS during the academic year.

Data Source: CPE Comprehensive Database (KPEDS)

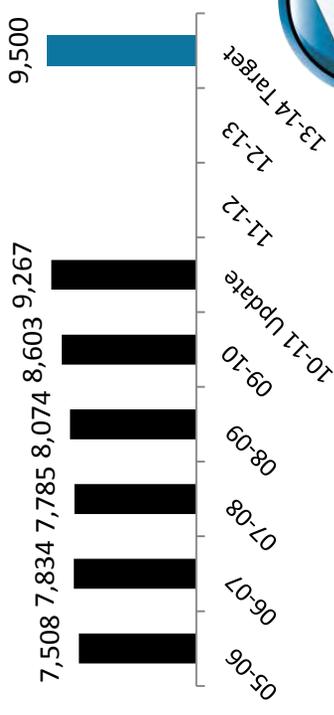
### Progress Trajectory



### Progress to Target



### Historical Trend



# STUDENT SUCCESS

*Policy Objective 4. Increase high quality degree production and completion rates at all levels and close achievement gaps*

## Bachelor's degrees conferred

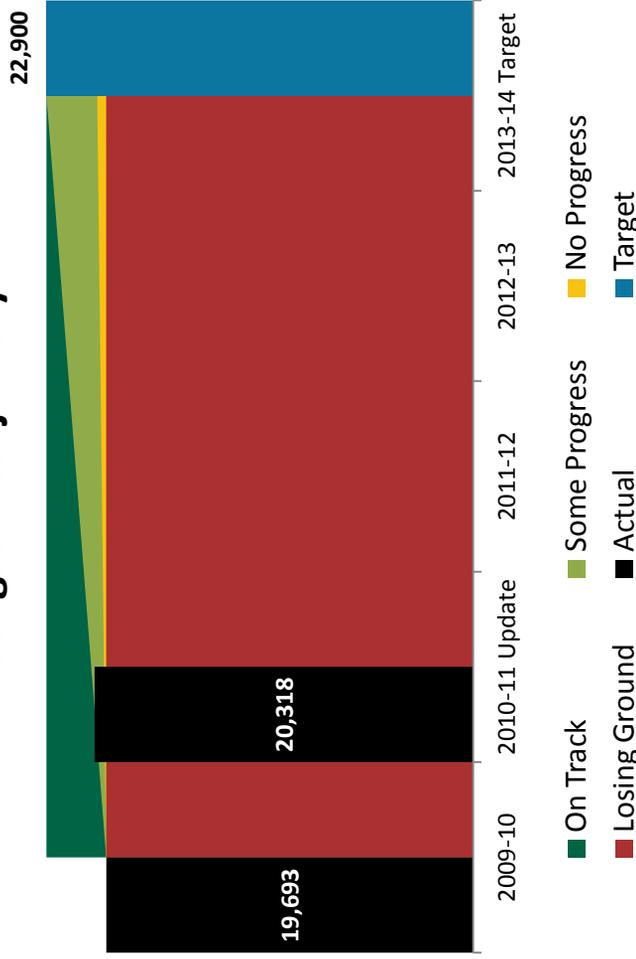


Number of Bachelor's degrees awarded at Kentucky's public universities and AIKCU independent institutions during the academic year.

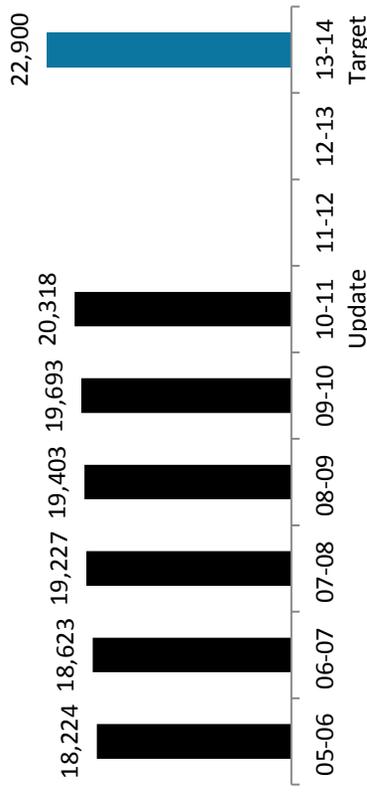
Data Source: CPE Comprehensive Database (KPEDS)



### Progress Trajectory



### Historical Trend



# STUDENT SUCCESS

*Policy Objective 4. Increase high quality degree production and completion rates at all levels and close achievement gaps*



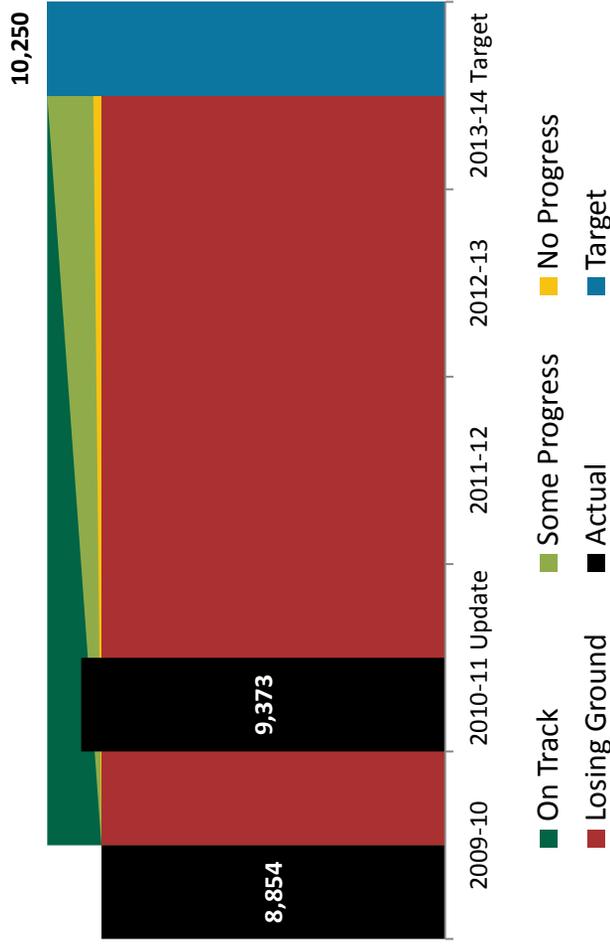
On Track

## Graduate degrees conferred

Number of Masters, Specialist and Doctoral degrees awarded at Kentucky's public universities and AIKCU independents during the academic year.

Data Source: CPE Comprehensive Database (KPEDS)

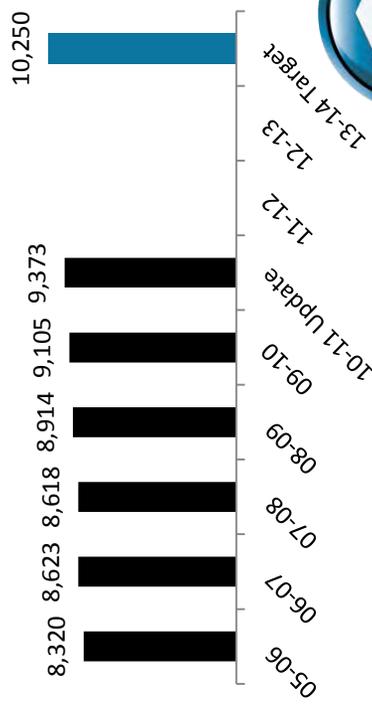
### Progress Trajectory



### Progress to Target



### Historical Trend



# STUDENT SUCCESS

*Policy Objective 4. Increase high quality degree production and completion rates at all levels and close achievement gaps*

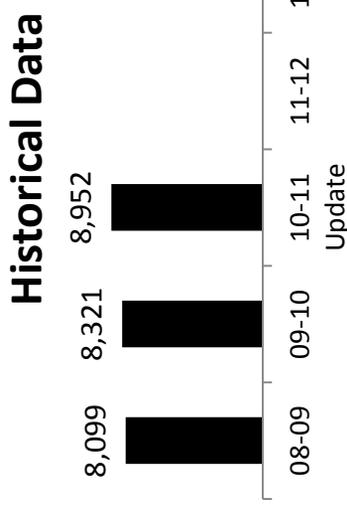
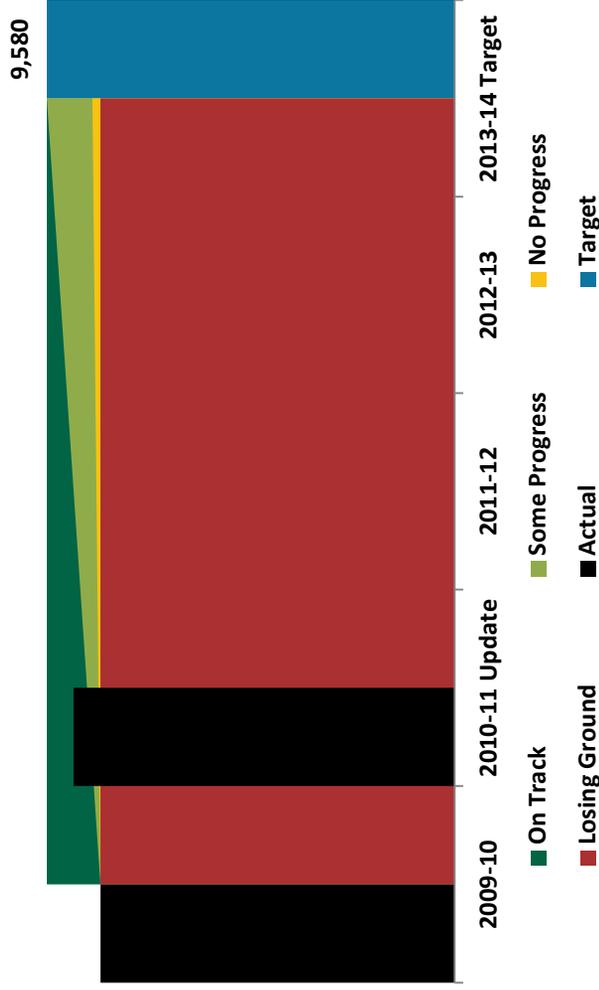


## Transfer from KCTCS to four-year Institutions

Number of students transferring credit from KCTCS to four-year public and independent institutions in Kentucky within the academic year.

Data Source: CPE KPEDS

### Progress Trajectory



# STUDENT SUCCESS

*Policy Objective 4. Increase high quality degree production and completion rates at all levels and close achievement gaps*

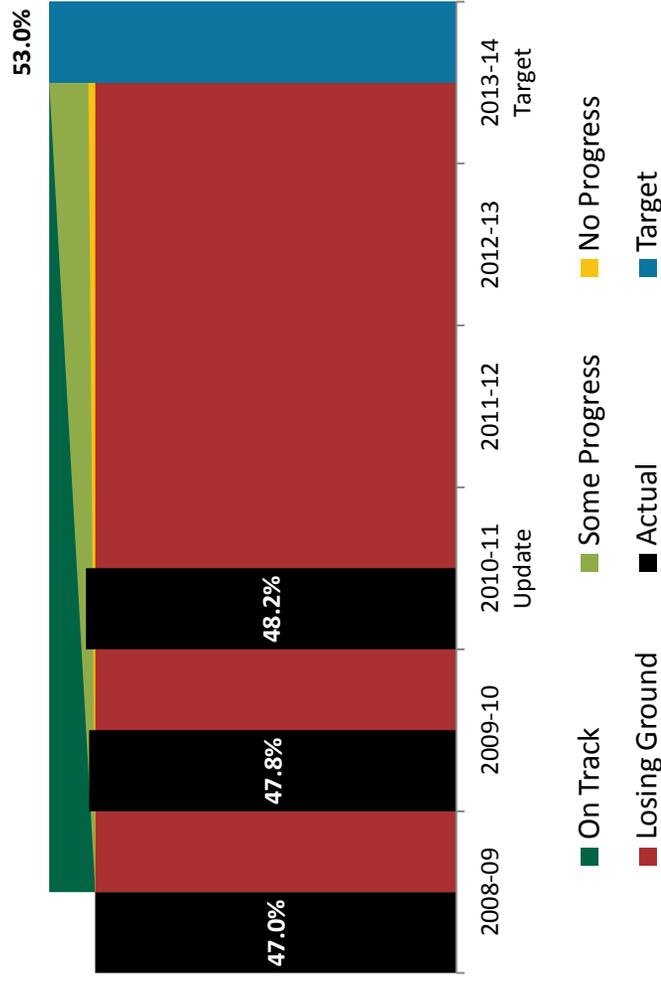


## Bachelor's degree graduation rate

Six-year graduation rate of first-time, full-time bachelor's degree seekers (IPEDS).

Data Source: CPE Comprehensive Database (KPEDS)

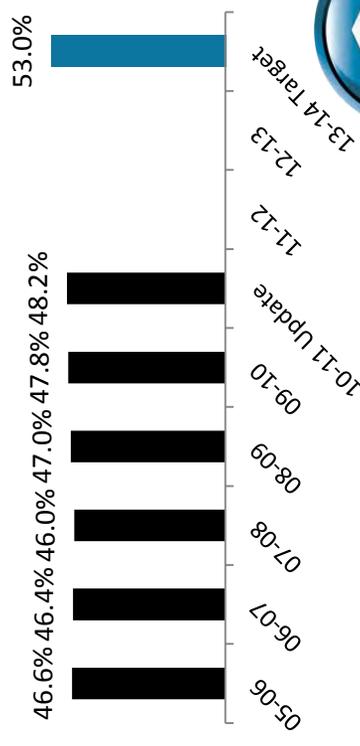
### Progress Trajectory



### Progress to Target



### Historical Trend



# STUDENT SUCCESS

Policy Objective 4. Increase high quality degree production and completion rates at all levels and close achievement gaps

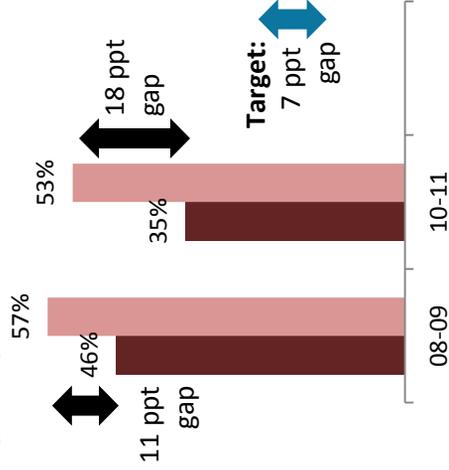


## Graduation rate gaps of low-income, not college-ready, and underrepresented minority students

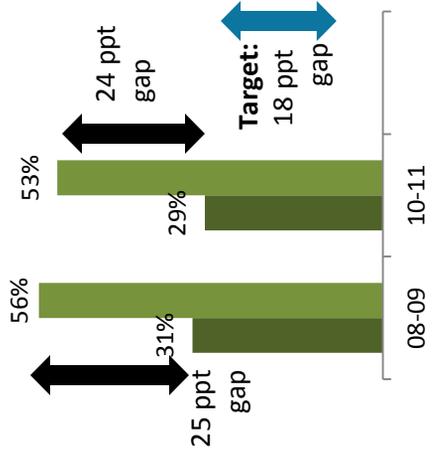
Gap between the graduation rate of students in the target group and students who are not in the target group (using the IPEDS six-year graduation rate).  
Data Source: CPE Comprehensive Database (KPEDS)



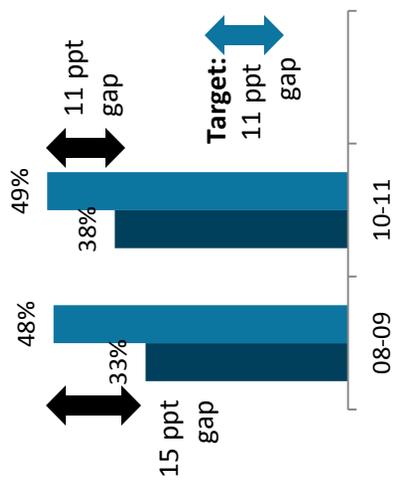
### Income gap



### College readiness gap



### Race/ethnicity gap



- Low-income students
- Moderate to high-income students

- Not college-ready students
- College-ready students

- Underrep. minority students
- Other race/ethnicities



# STUDENT SUCCESS

Policy Objective 5: *Decrease financial barriers to college access and completion.*



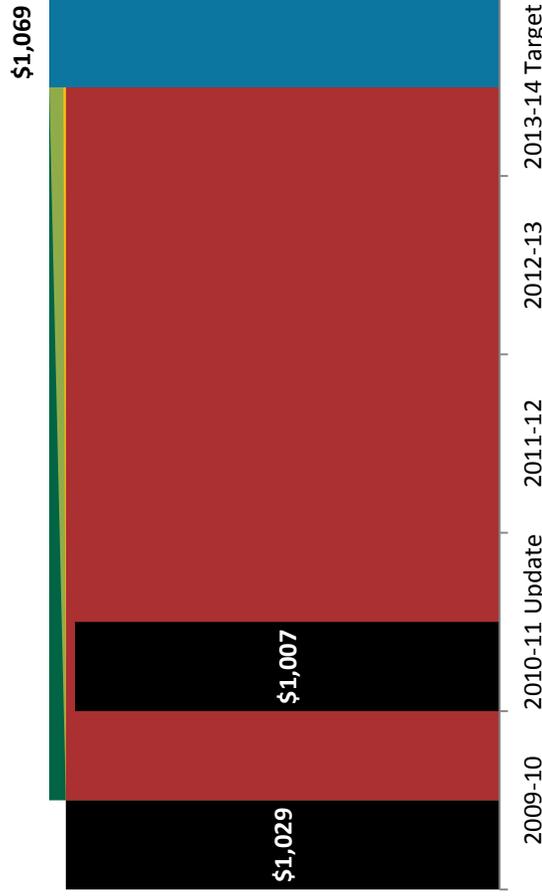
Losing Ground

## State appropriations for public higher education

Total net general fund appropriations for public postsecondary colleges and universities. Does not include funding for state financial aid programs.

Data Source: Enacted Budgets of the Commonwealth and Budget Reduction

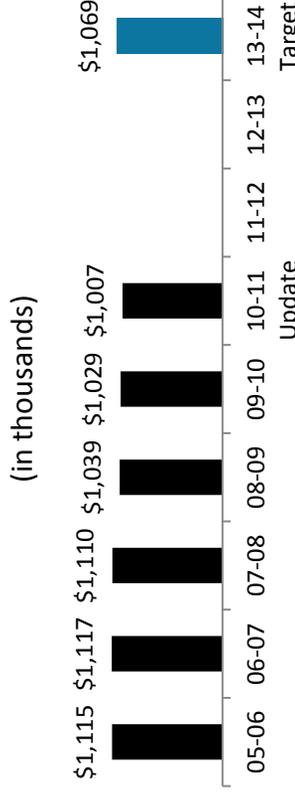
### Progress Trajectory



### Progress to Target

0%

### Historical Trend



■ On Track  
■ Some Progress  
■ No Progress  
■ Actual  
■ Target



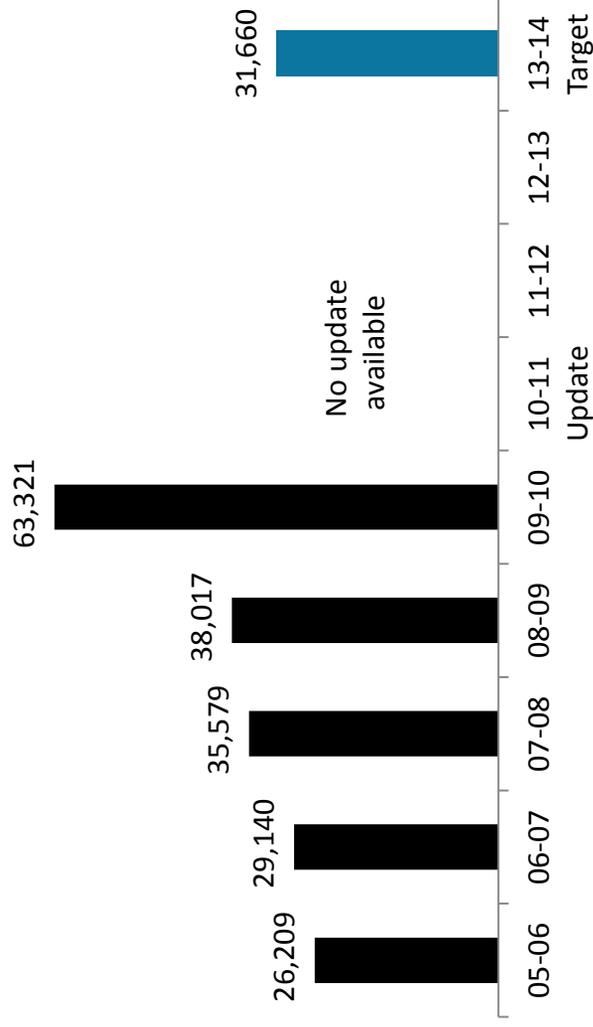
# STUDENT SUCCESS

*Policy Objective 5: Decrease financial barriers to college access and completion.*

## Low-income students without grants

**?** Annual number of qualified students who applied for state grants for low-income students, but who did not receive grants because program funds were exhausted (CAP and KTG programs).

Data Source: Kentucky Higher Education Assistance Authority (KHEAA)



# STUDENT SUCCESS

Policy Objective 5: *Decrease financial barriers to college access and completion.*

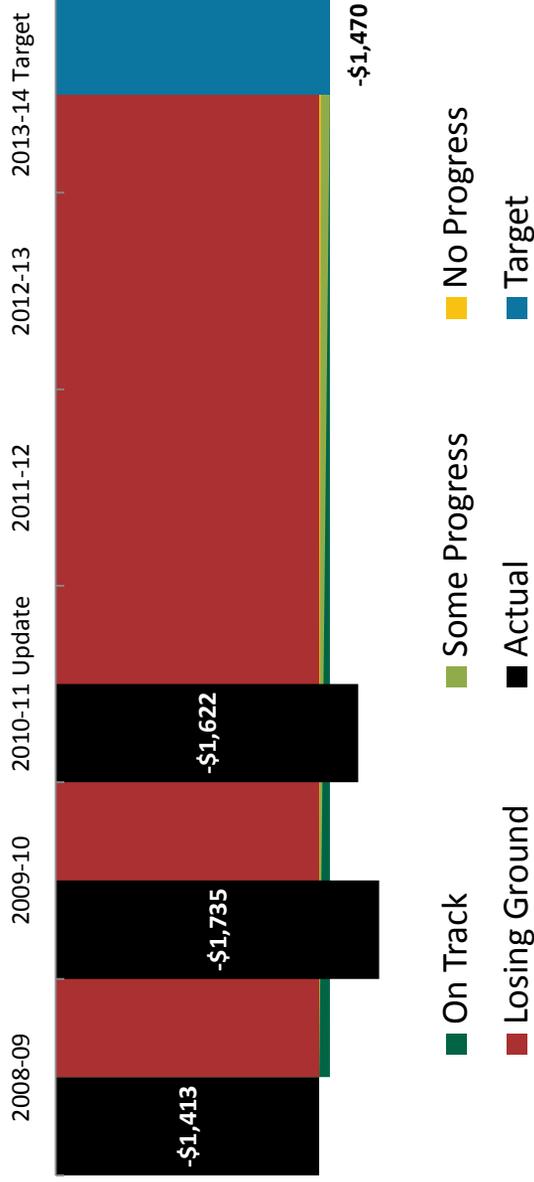


## Net direct cost for low-income students

The average cost of tuition, fees and books after all grants and scholarships among full-time, Kentucky resident, Pell grant recipients. Negative amounts reflect grant and scholarship money available to pay indirect costs such as room and board.

Data Source: CPE Comprehensive Database (KPEDS); NCES IPEDS

### Progress Trajectory



Progress to Target

100%



# RESEARCH, ECONOMIC AND COMMUNITY DEVELOPMENT

*Policy Objective 6: Increase basic, applied, and translational research to create new knowledge and economic growth.*

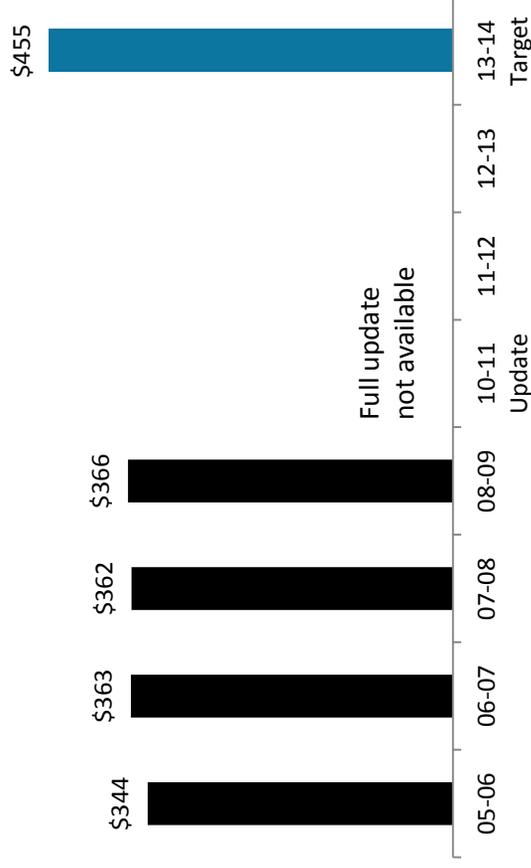


Some Progress

## Externally-funded research and development

Amount of research and development expenditures in science and engineering from federal, state, local, corporate, and foundation funding, but excluding institutionally-funded research.

*Data Source:* National Science Foundation (NSF) Survey of R&D Expenditures at Universities and Colleges



# RESEARCH, ECONOMIC AND COMMUNITY DEVELOPMENT

*Policy Objective 6: Increase basic, applied, and translational research to create new knowledge and economic growth.*



On Track

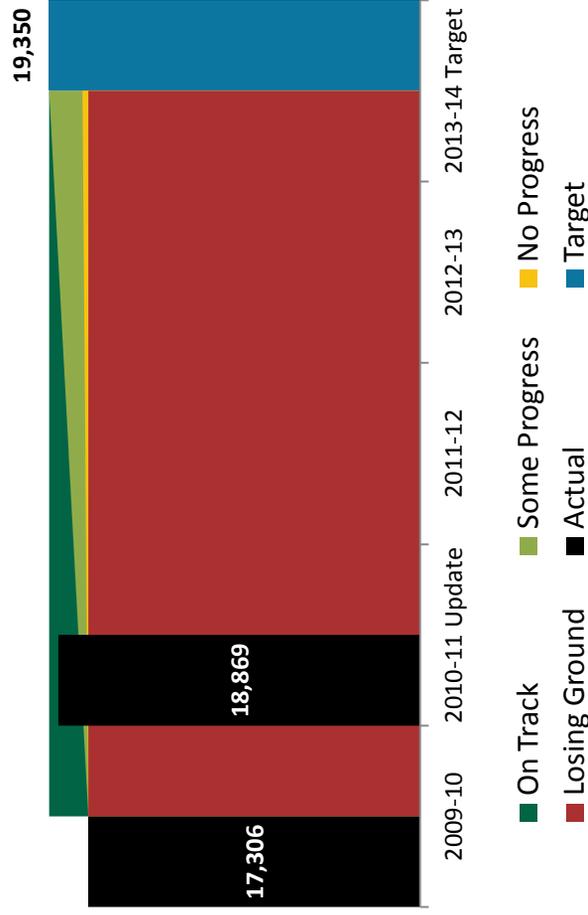
## Degrees and credentials in STEM+H fields

Number and level of degrees and credentials conferred in science, technology, engineering, mathematics and health-related fields during the academic year.

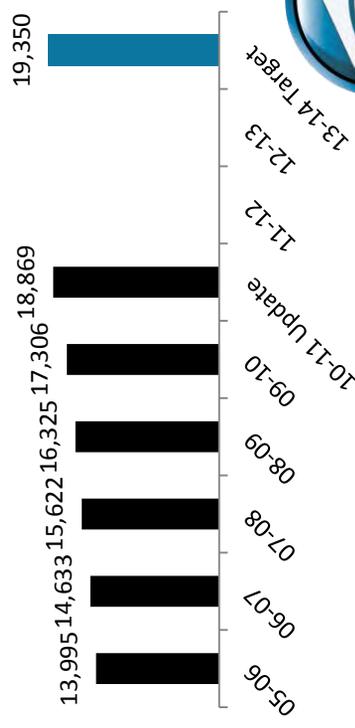
Data Source: CPE Comprehensive Database (KPEDS)



### Progress Trajectory



### Historical Trend



# RESEARCH, ECONOMIC AND COMMUNITY DEVELOPMENT

*Policy Objective 7. Increase educational attainment and quality of life in Kentucky communities through regional stewardship, public service, and community outreach.*



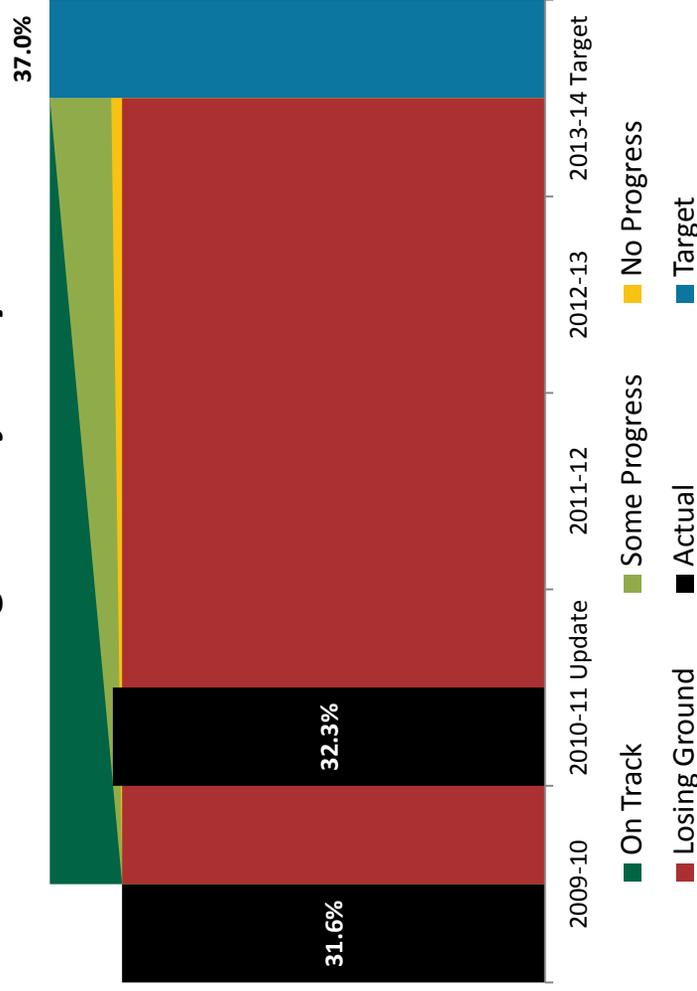
## Educational attainment of young adults

Percent of population ages 25-44 with an associate or higher degree.

Some Progress

Data Source: Decennial Census & American Community Survey (ACS), US Census Bureau

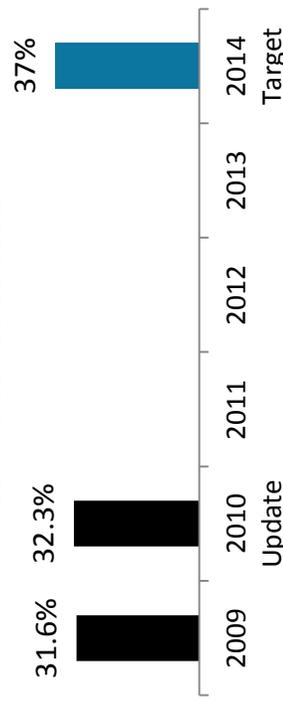
### Progress Trajectory



### Progress to Target



### Historical Trend



# EFFICIENCY AND INNOVATION

Policy Objective 8. Increase academic productivity through program innovations.

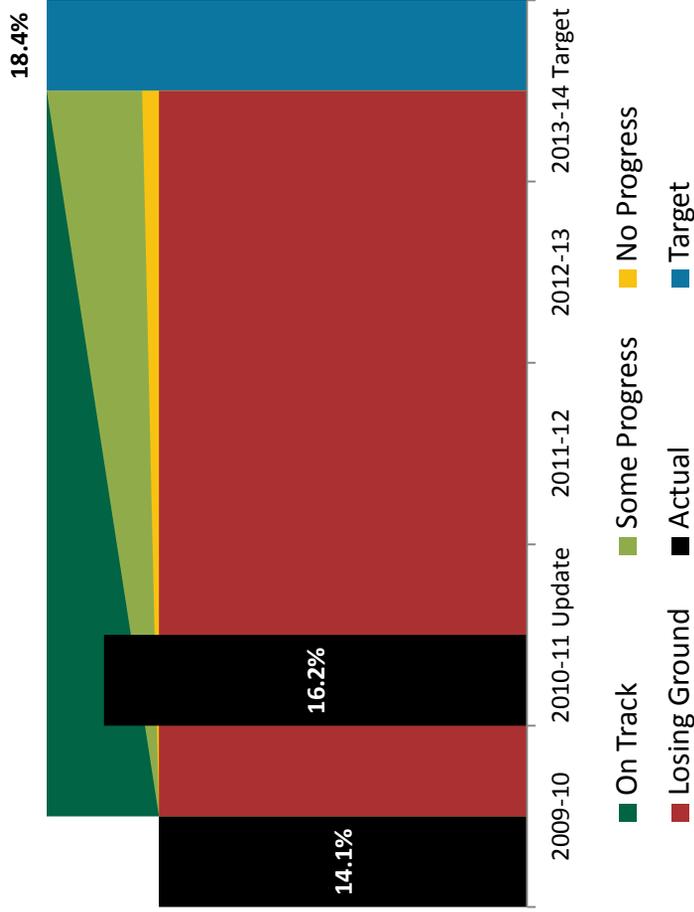
## Online learning



Percent of completed credits taken through online and other distance learning.

Data Source: CPE Comprehensive Database (KPEDS)

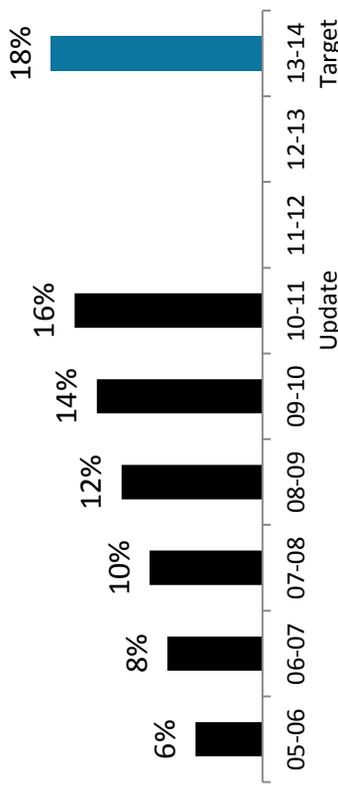
### Progress Trajectory



### Progress to Target

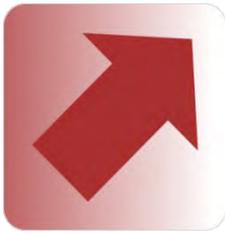


### Historical Trend



# EFFICIENCY AND INNOVATION

Policy Objective 8. Increase academic productivity through program innovations.



Losing Ground

## Credits attempted by degree graduates

Average credit hours attempted by bachelor's graduates at four-year institutions and by associate graduates at KCTCS.

Data Source: CPE KPEDS

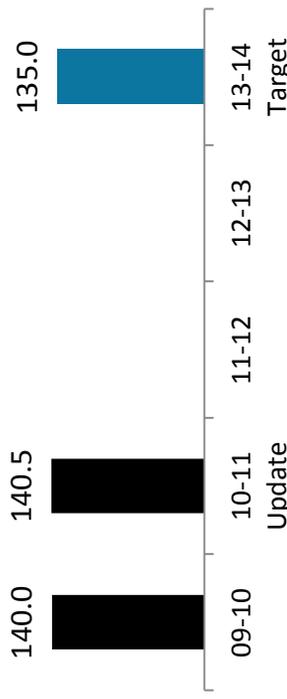
### Progress Trajectory



### Progress to Target

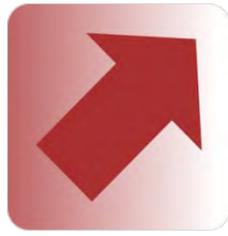


### Historical Trend



# EFFICIENCY AND INNOVATION

Policy Objective 9. Maximize the use of postsecondary and adult education resources.



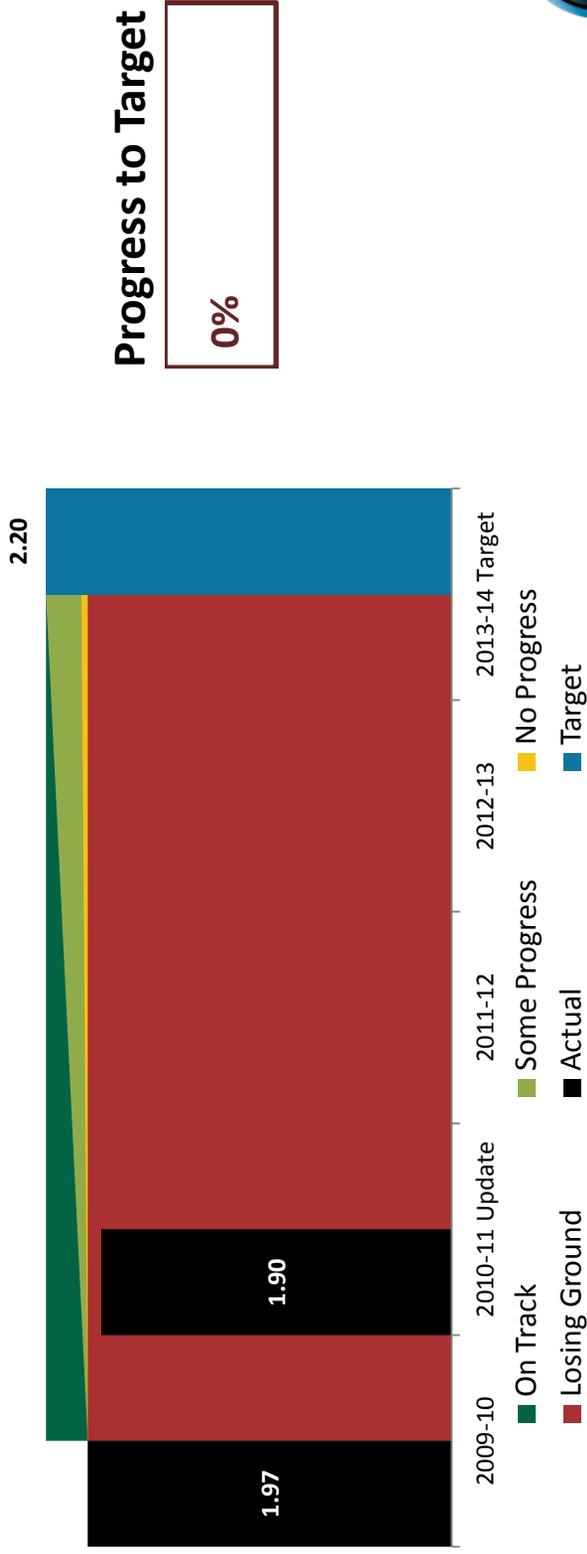
Losing Ground

## Degree productivity relative to education and related expenditures

Number of degrees and credentials conferred for every \$100,000 in education and related expenditures at public colleges and universities.

Data Source: Complete to Compete initiative, from IPEDS and US Census data

### Progress Trajectory



Progress to Target

0%



# NEXT STEPS

- ❖ Final review by colleges and universities
- ❖ Full report published by end of March
- ❖ Institutional scorecards
- ❖ On-line dashboard updates



# STRONGER by DEGREES



## A STRATEGIC AGENDA for Kentucky Postsecondary and Adult Education



## 2010-11 Performance Update

Presentation to the Council on Postsecondary Education

February 10, 2012

# STRONGER by DEGREES



Presentation to the Council on Postsecondary Education  
by Randy J. Dunn, President, Murray State University

February 10, 2012



# INSTITUTIONAL PROFILE

*Over 10,600 students – representing 94 Kentucky counties, 41 states, and 45 foreign countries*

*Over 136 Degree Programs Ranging from Associate to Doctoral degrees – new degree programs including the Doctorate of Nursing Practice, Chemical Manufacturing Management, Japanese, Music Business, and the on-line Masters of Business Administration (M.B.A.)*

*5 Regional Campuses serving the 18 Counties – Paducah, Hopkinsville, Madisonville, Henderson, and Fort Campbell*





# RECENT RECOGNITIONS

## U.S. News & World Report

- “Top Tier” for **21 consecutive years** in academic quality
- **8th** among all public universities in the southern region
- Top 14 for **7 consecutive years** among all public master’s universities



## Forbes

- Top 100 “America’s Best Colleges”
- “Best College Buy” behind only Berea in KY



Ranked **16th in the country** for its online M.B.A. program in the category of “High Quality Buys - Under \$15,000”  
— *GetEducated.com*





# RECENT RECOGNITIONS

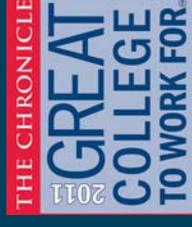
Highest six-year graduation rate among KY regional publics – *IPEDS*



1 of 2 KY publics receiving a “B” for its general studies program. Nationally, only 17 scored an “A.” – *American Council of Trustees and Alumni*



Named a “Great Colleges to Work For” – *Chronicle of Higher Education*



Named a “2012 Military Friendly School” – *G.I. Jobs*



KENTUCKY COUNCIL ON POSTSECONDARY EDUCATION





# 2011-15 CPE STRATEGIC AGENDA

**COLLEGE  
READINESS**

**STUDENT  
SUCCESS**

**RESEARCH,  
ECONOMIC &  
COMMUNITY  
DEVELOPMENT**

**EFFICIENCY  
&  
INNOVATION**



KENTUCKY COUNCIL ON POSTSECONDARY EDUCATION





# COLLEGE READINESS

| Performance Metric                          | Historical (2005-06) | Baseline (2008-09) | 2015 Target | Percent Change Baseline to Target |
|---|----------------------|--------------------|-------------|-----------------------------------|
| New teacher excellence (top 15% nationally) | 13%                  | 16%                | 18%         | 12%                               |

*Percent of teaching program graduates scoring in the top 15 percent nationally on Praxis II Practice of Learning and Teaching (PLT) licensure exams.*





## COLLEGE READINESS

### Educational Outreach Initiatives

- *Sponsored the “Response to Intervention” conference to support the new Common Core Standards*
- *CPE awarded a grant for “Improving Educator Quality” funding professional development for math teachers to aid meeting the Common Core Standards and use of technology in the classroom*
- *Partnered with NASA Aerospace Education Services Project professional development for STEM teachers in west Kentucky*
- *K12CONNECT to form connections with area schools – first program will be a Four Rivers Scholarship Program*





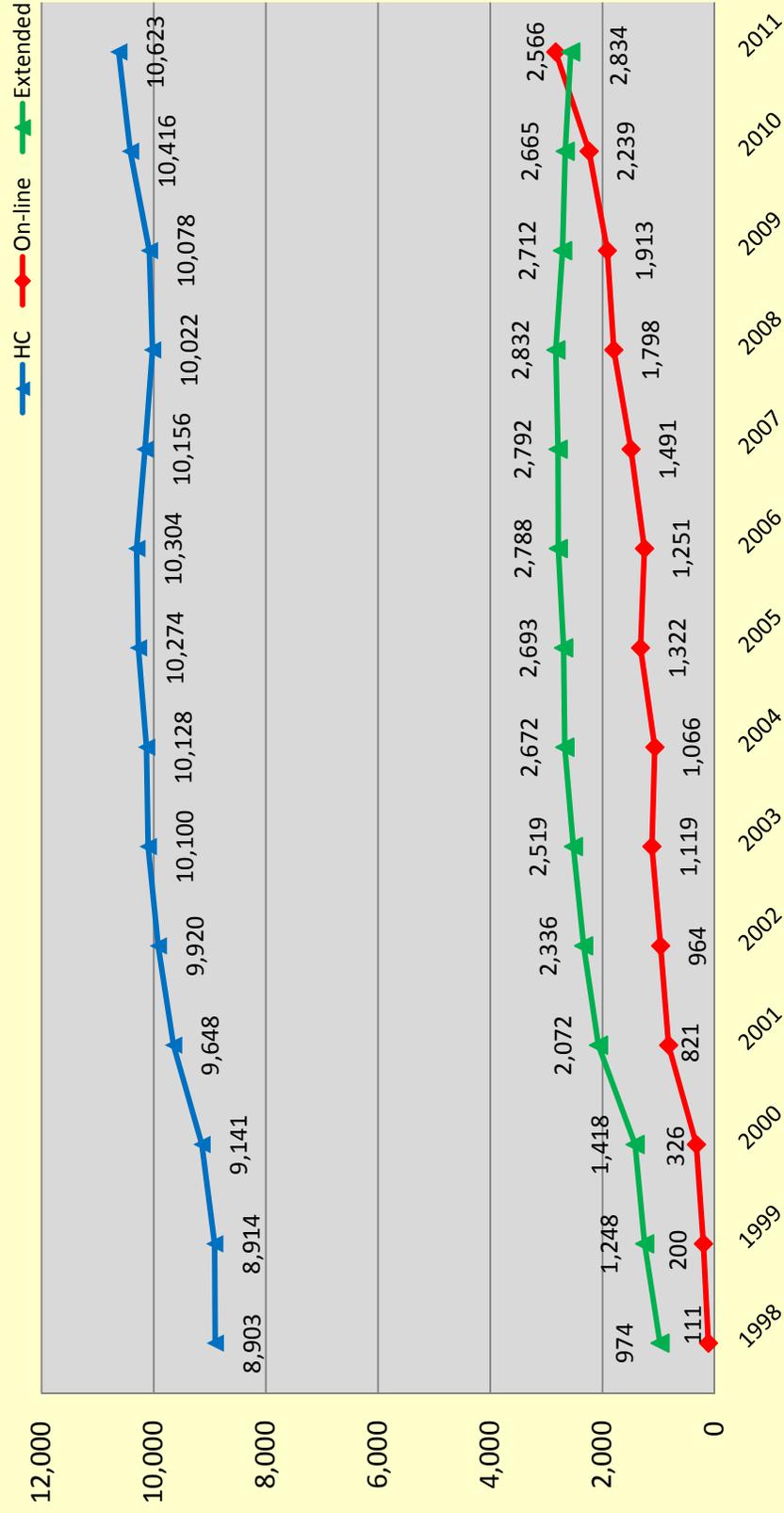
# STUDENT SUCCESS

| Performance Metric                      | Historical (2005-06) | Baseline (2009-10) | 2015 Target | Percent Change Baseline to Target |
|---|----------------------|--------------------|-------------|-----------------------------------|
| Total Degrees & Credentials             | 2,111                | 2,185              | 2,272       | 4%                                |
| - Bachelor's                            | 1,521                | 1,535              | 1,596       | 4%                                |
| - Master's                              | 570                  | 638                | 680         | 7%                                |
| Transfer from KCTCS                     | Not avail.           | 956                | 1,013       | 6%                                |
| Net direct cost for low-income students | -\$1,057             | -\$1,224 (2008-09) | -\$1,312    | 7%                                |

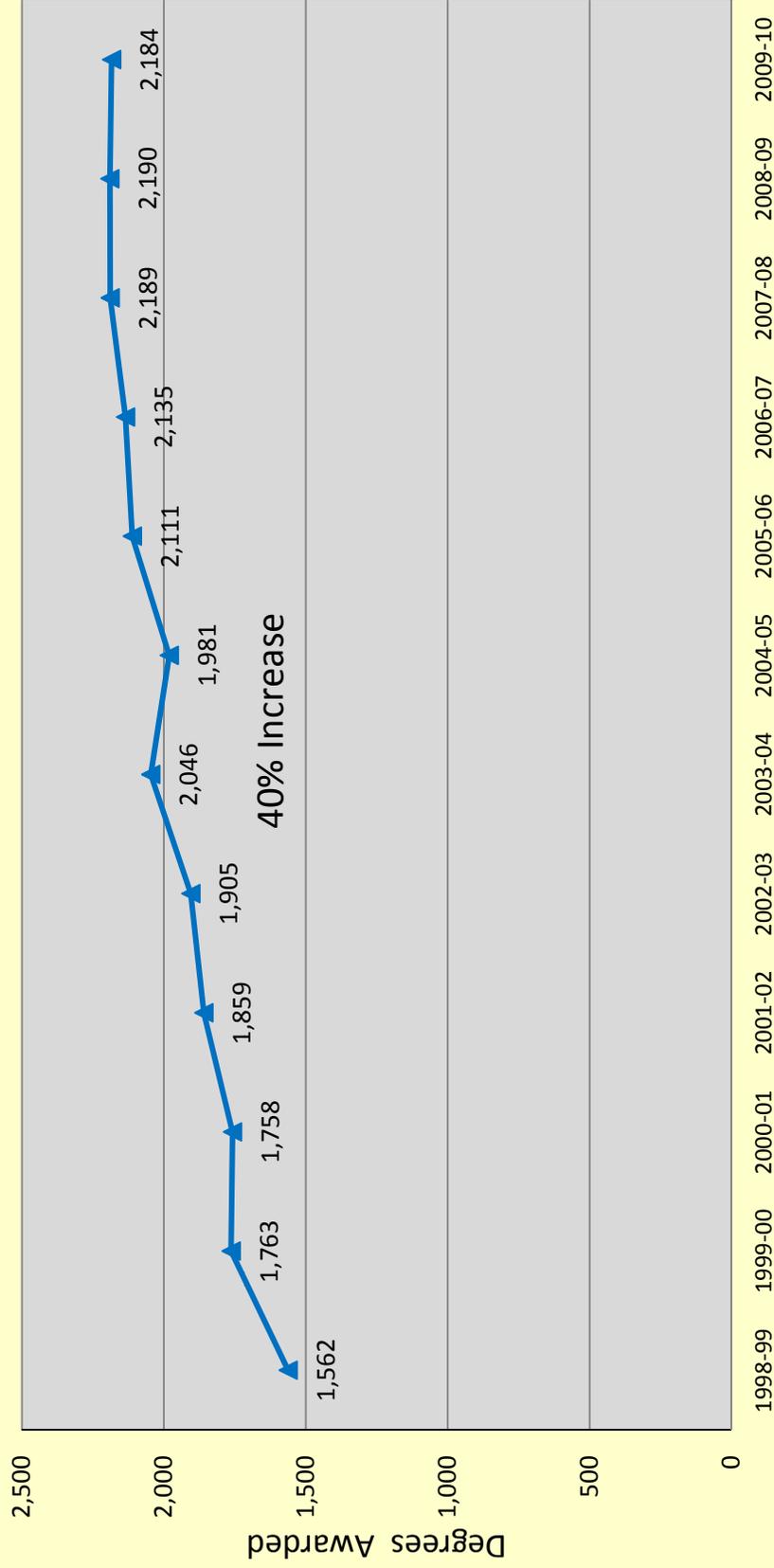
*Transfer from KCTCS includes transfer of KCTCS credit at any time during a student's career. Net Direct Cost is the cost of tuition, fees and books after all grants and scholarships received. Amount shown are for full-time, Kentucky resident undergraduates only. Negative amounts reflect grant money available to pay indirect costs such as room and board.*



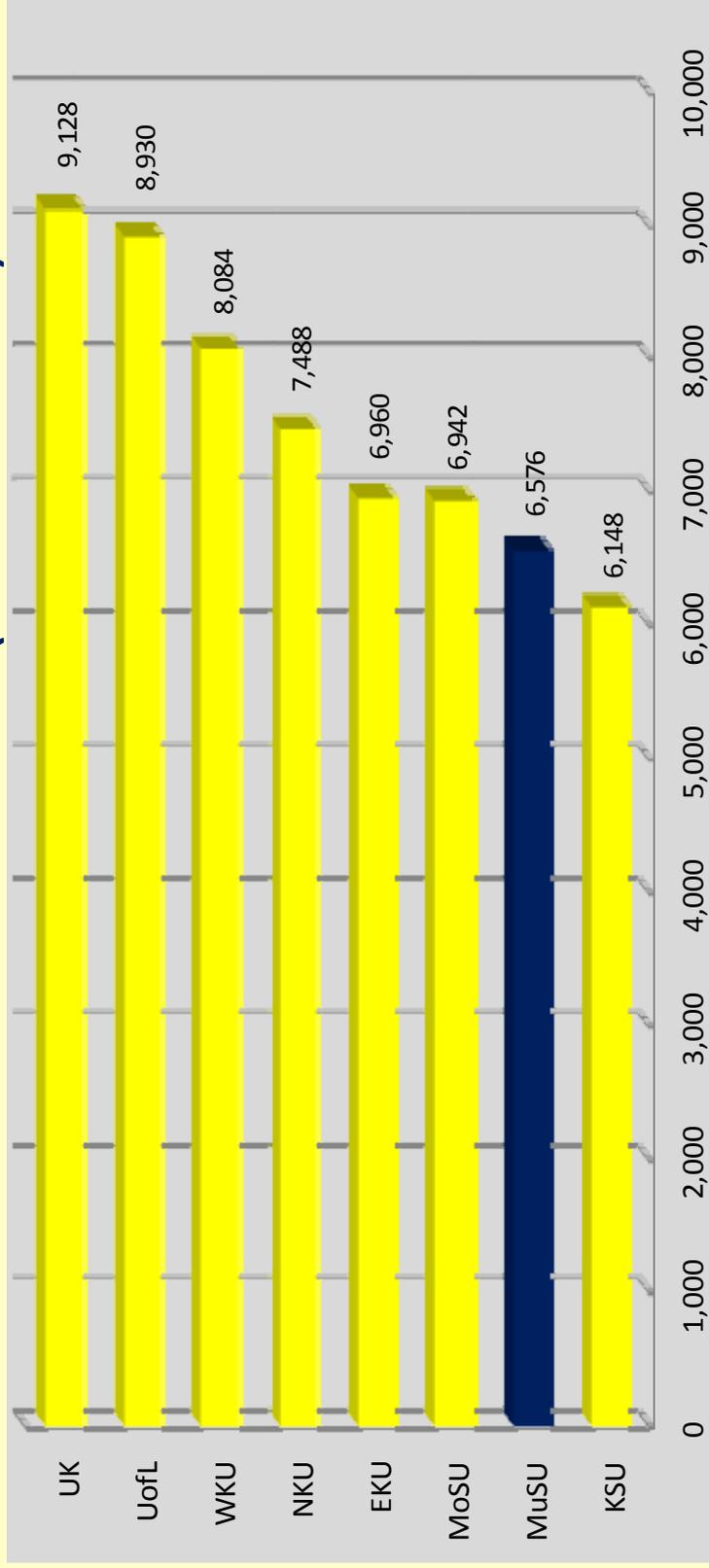
## Headcount Enrollment 1998-2011



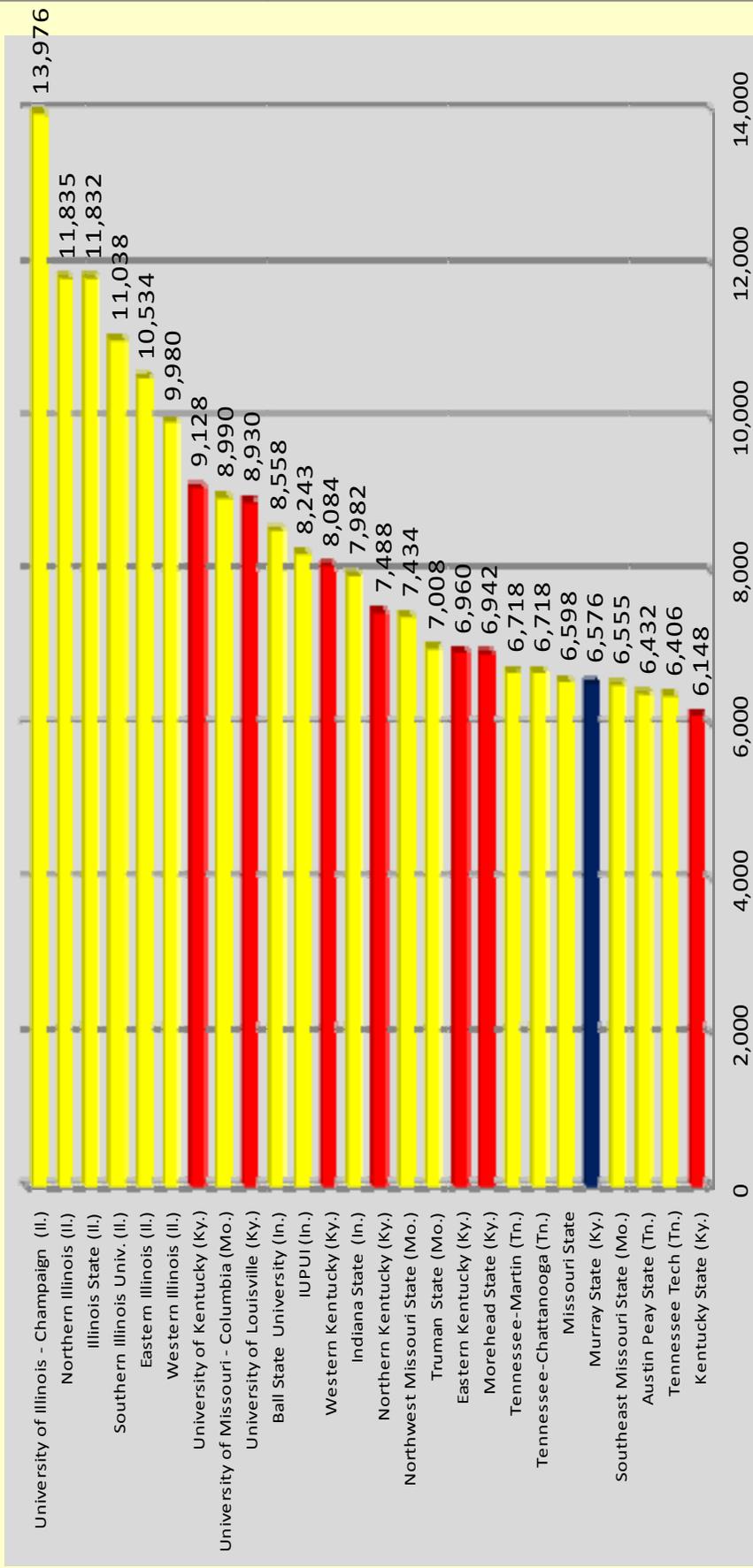
## Total Degrees Awarded 1998-99 to 2009-10



## Kentucky Comprehensive Public Universities Annual 2011-12 Tuition & Fees (effective Fall 2011)



## KY Comprehensive & Regional Benchmark Institutions Annual 2011-12 Tuition & Fees





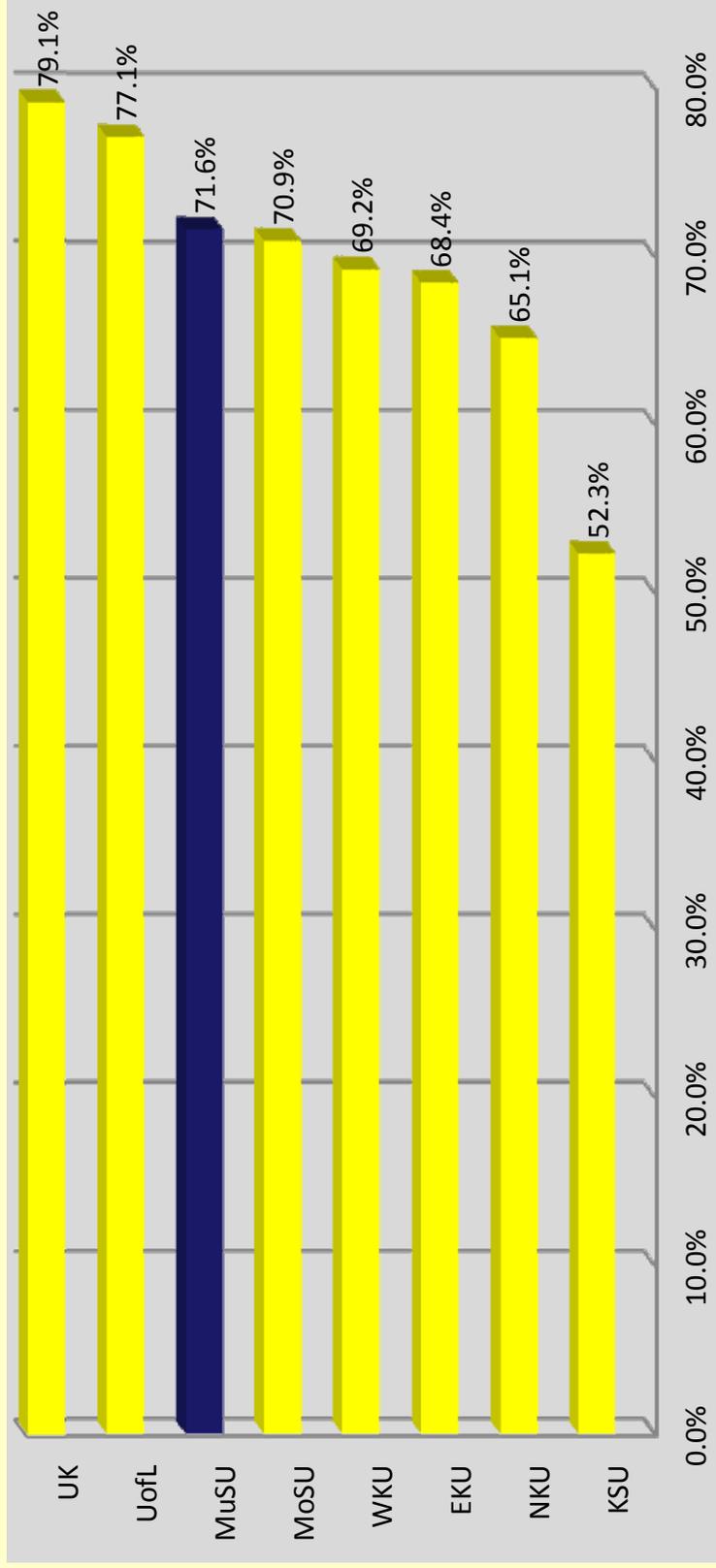
# STUDENT SUCCESS

| Performance Metric                                     | Historical (2005-06) | Baseline (2008-09) | 2015 Target | Percent Change Baseline to Target |
|--|----------------------|--------------------|-------------|-----------------------------------|
| * Graduation Rates                                     | 57.1%                | 49.6%              | 53.0%       | 7%                                |
| Graduation rate gap of underprepared minority students | 16 ppt               | 13 ppt             | 13 ppt      | -4 ppt                            |
| Graduation Rate gap of underprepared students          | Not available        | 22 ppt             | 22 ppt      | - 2 ppt                           |
| Graduation rate gap of low-income students             | Not available        | 20 ppt             | 17 ppt      | -15 ppt                           |

*\* Murray changed its Bachelor's-seeking entry cohorts during this period per IPEDS instructions to include students whose degree status was undeclared, resulting in an apparent decline in graduation rates in 2007-08. Graduation rate of full-time, Bachelor's degree-seeking students who entered six years previous (IPEDS). Gaps represent difference between graduation rate of target group and graduation rate of other students.*



## Retention of First-Time Freshmen

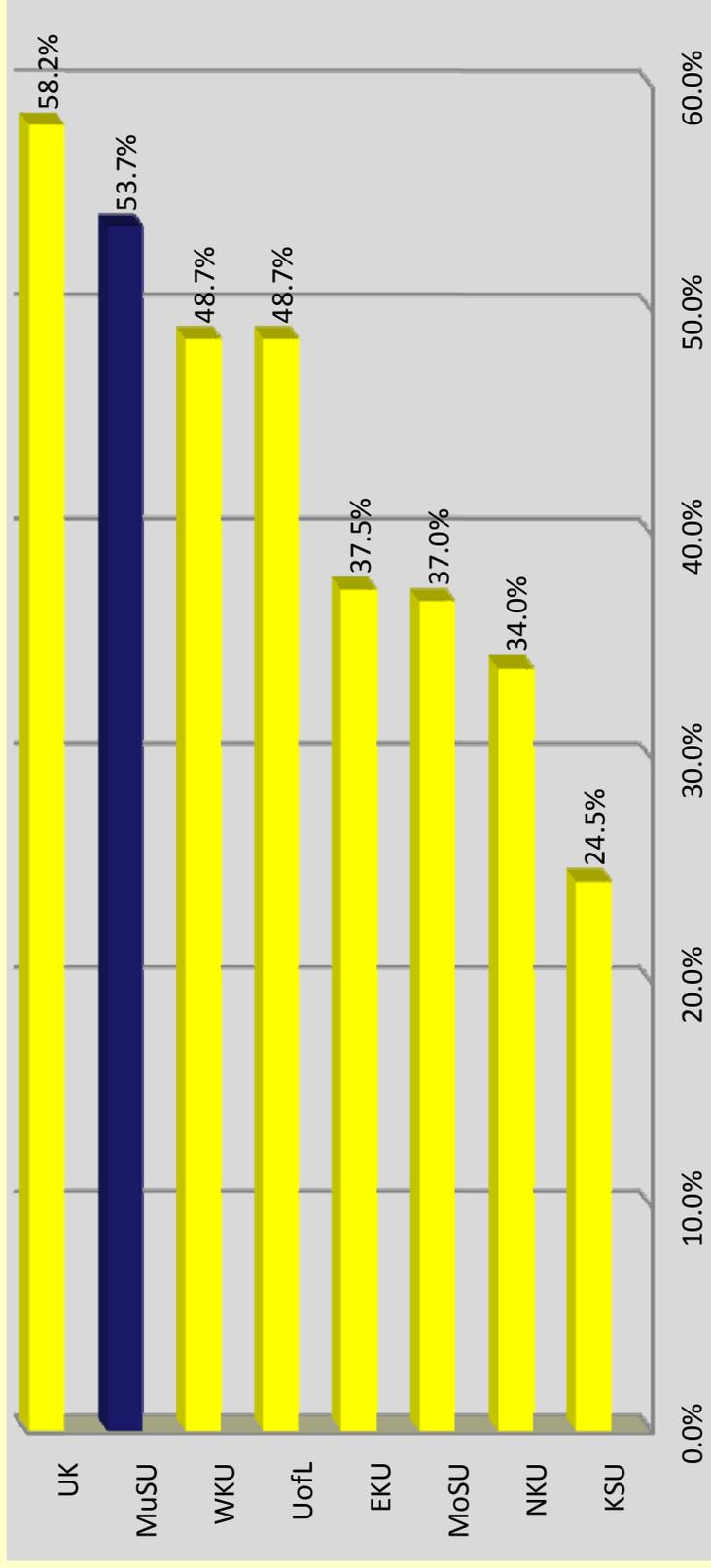


Original Admission Date: Fall 2008

Source: Council on Postsecondary Education



## Six-Year Baccalaureate Graduation Rate 2010



Fall 2004 Degree Seeking Freshman  
Source: Institutions





## STUDENT SUCCESS

Posted the 2<sup>nd</sup> highest six-year graduation rate among KY publics

Established a Transfer Center – *aiding student transitions from two- and four-year institutions*

Expanded dual credit offerings – *assisting high school students with course remediation*

Created the President's Commission on Student Retention – *task force evaluating current mechanisms and new initiatives*

Streamlined the Office of Student Disability Services – *one-stop shop for tutoring, educational assistance and accommodations*





# RESEARCH, ECONOMIC & COMMUNITY DEVELOPMENT

| Performance Metric                                       | Historical (2005-06) | Baseline        | 2015 Target | Percent Change Baseline to Target |
|--|----------------------|-----------------|-------------|-----------------------------------|
| Externally- Funded Research & Development (in thousands) | \$2,345              | \$618 (2008-09) | \$1,454     | 135%                              |
| Degrees & Credentials in STEM+H Fields                   | 527                  | 636 (2009-10)   | 687         | 8.0%                              |

*Externally-funded research and development includes all sources of science and engineering R&D funding other than institutional sources such as endowments. STEM+H includes certificates and degrees at all levels in the Science, Technology, Engineering, Mathematics and Health fields.*





## RESEARCH, ECONOMIC & COMMUNITY DEVELOPMENT

Providing Faculty Grant Writing Seminars and Indirect Cost-Sharing Adjustment – *to support and incentivize grant activity*

Expanding Women in Computing

- *“Return Path Student Seed Fund” grant – awarded by the National Council for Women in Technology to increase technology interest*
- *Regional high school “Girl’s STEM Day” – to encourage computer usage*

Regional STEM Outreach

- *Math Improvement Project – professional development for teachers*
- *Hooked on Science – providing STEM education to the 18 county region*

Established West Kentucky AgBioworks – *farmer network harvesting biomass and future plans to start a bio-energy demonstration center*





# EFFICIENCY AND INNOVATION

| Performance Metric   | Historical<br>(2005-06) | Baseline<br>(2009-10) | 2015<br>Target | Percent Change<br>Baseline to Target |
|--|-------------------------|-----------------------|----------------|--------------------------------------|
| Credits Earned by Degree Graduates                                     | 142                     | 140                   | 138            | -1%                                  |
| Online learning (Percent of all credit earned through online learning) | 6%                      | 10%                   | 12%            | 21%                                  |

*Credits earned by degree graduates includes all Bachelor's degree graduates during the year. Online learning measures the percent of completed student credit hours delivered through distance learning.*





## EFFICIENCY AND INNOVATION

*Expansion of online programs and courses – a profit sharing with faculty members to incentivize creation and offering of online courses*

*Strict monitoring of credits to degree (CTD) – 51 programs and options remain at 120 CTDs, 59 additional programs and options reduced their CTD totals*

*Reworked the University Studies curriculum – realigned the curriculum around the characteristics of the MSU Graduate rather than traditional academic categories*

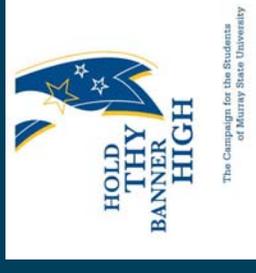




## WE ARE RACERS

National recognitions for social media (Blue Fuego), print publications (CASE Awards) and efficient technology services (*University Business Magazine*)

Exceeded the fundraising goal of \$60M for the *Hold Thy Banner High Comprehensive Campaign*, with nearly 50% going to fund scholarships



Educational content partnerships with KET

Top ranked Men's Basketball program – 30th in ESPN All-Time Rankings



## GO RACERS!



KENTUCKY COUNCIL ON POSTSECONDARY EDUCATION



# STRONGER by DEGREES



Presentation to the Council on Postsecondary Education  
by Randy J. Dunn, President, Murray State University

February 10, 2012

# Stronger By Degrees

University of Kentucky  
Institutional Progress Update

Presentation to the Council on  
Postsecondary Education



President Eli Capilouto  
February 10, 2012

# Institutional Profile

## Record Breaking Fall 2011:

- UK's student population is larger, more diverse, and more academically prepared than ever before.
- Increased first-year retention from 77% to 82% in the last four years.
- UK Center for Clinical and Translational Science is one of 60 nationwide designated a CTSA by the National Institute of Health.
- Growing success in the Arts, Social Sciences, and STEM disciplines

# 2011-15 Strategic Agenda

Four Focus Areas:

**COLLEGE  
READINESS**

**STUDENT  
SUCCESS**

**RESEARCH,  
ECONOMIC, &  
COMMUNITY  
DEVELOPMENT**

**EFFICIENCY &  
INNOVATION**

# College Readiness

| Performance Metric                          | Historical (2005-06) | Baseline (2008-09) | 2010-11 Data  | 2015 Target | Percent Change Baseline to Target |
|---|----------------------|--------------------|---|-------------|-----------------------------------|
| New teacher excellence (top 15% nationally) | 24%                  | 24%                | 24.6%  | 30%         | 27%                               |

*Percent of teaching program graduates scoring in the top 15 percent nationally on Praxis II Practice of Learning and Teaching (PLT) licensure exams.*

# College Readiness

## Strategies

- What We Have Done:
  - Created a one stop shop for prospective students.
  - Enhanced marketing and targeted recruitment.
  - Improved transfer pipeline with BCTC
- What We Are Doing:
  - Partnership Institute for Math and Science Education Reform
  - Advancing the goals of Senate Bill One
  - P-20 Innovation Lab
  - Kentucky iTunes U

# Student Success

| Performance Metric                      | Historical (2005-06) | Baseline (2009-10) | 2010-11 Data   | 2015 Target | Percent Change Baseline to Target |
|---|----------------------|--------------------|--|-------------|-----------------------------------|
| Total Degrees & Cred.                   | 5,503                | 5,466              | 5,802   | 6,240       | 14%                               |
| Bachelor's                              | 3,519                | 3,521              | 3,712   | 4,000       | 14%                               |
| Master's                                | 1,350                | 1,211              | 1,307   | 1,450       | 20%                               |
| Doctoral Research/Scholarship           | 256                  | 265                | 261     | 300         | 13%                               |
| Doctoral & Professional Practice        | 378                  | 469                | 522     | 490         | 4%                                |
| Transfer from KCTCS                     | Not avail.           | 1,829              | 2,041  | 1,920       | 5%                                |
| Net direct cost for low-income students | -\$1,441             | -\$1,178 (2008-09) | -  | -\$1,180    | 0%                                |

# Student Success

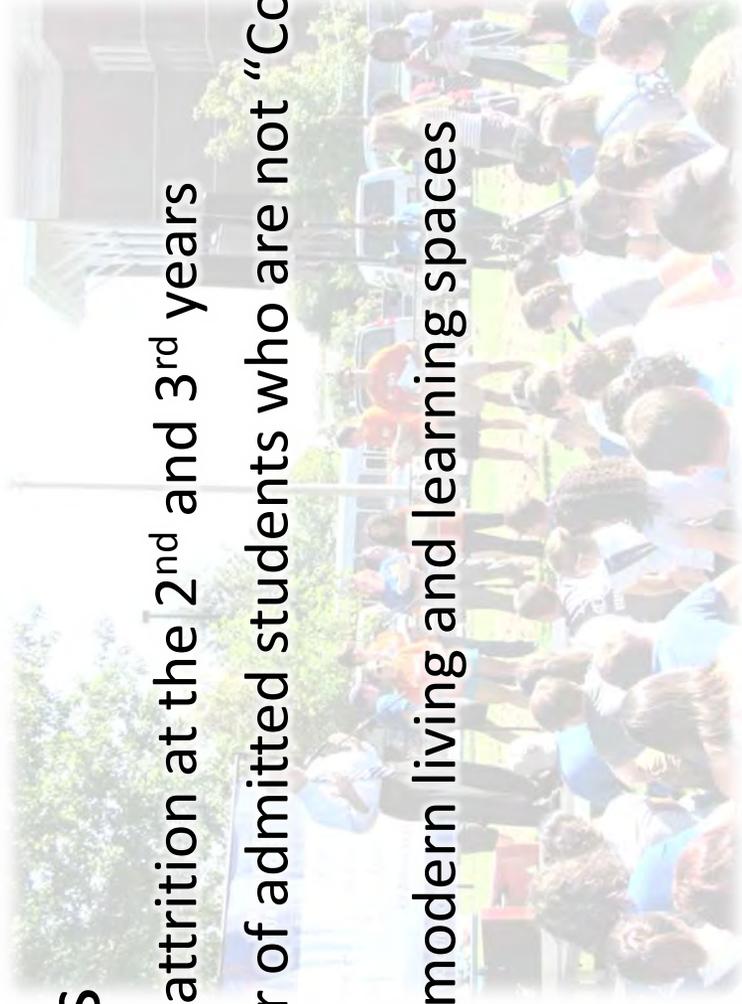
| Performance Metric   | Historical (2005-06) | Baseline (2008-09) | 2010-11 Data  | 2015 Target | Percent Change Baseline to Target |
|--|----------------------|--------------------|---|-------------|-----------------------------------|
| Graduation rates   | 59.1%                | 59.5%              | 59%        | 62%         | 4%                                |
| Graduation rate gap of <b>underrepresented minority</b> students | 16 ppt               | 16 ppt             | 4.7 ppt    | 11 ppt      | -30%                              |
| Graduation rate gap of <b>underprepared</b> students             | Not available        | 20 ppt             | 16.5 ppt   | 14 ppt      | -30%                              |
| Graduation rate gap of <b>low-income</b> students                | Not available        | 8 ppt              | 16.5 ppt  | 5 ppt       | -30%                              |

*Graduation rate of full-time, Bachelor's degree-seeking students who entered six years previous (IPEDS). Gaps represent difference between graduation rate of target group and graduation rate of other students*

# Student Success

## Challenges

- Rate of attrition at the 2<sup>nd</sup> and 3<sup>rd</sup> years
- Number of admitted students who are not “College Ready”
- Lack of modern living and learning spaces



# Student Success

## Strategies

- What We Have Done:
  - Reformed undergraduate curriculum and launched new UK Core.
  - Enhanced student support services.
  - Expanded living/learning communities and residential colleges.
- What We Are Doing:
  - Renewed focus on scholarships
  - Expanding our honors program.
  - Enhancing co-curricular programs and learning opportunities.
  - Revitalizing our residence halls.

# Investing in Student Success

Governor's Budget Proposal – Authorization to begin renovating and replacing student housing with private developer

The campus is tired:

- Housing is old and obsolete
- Only 10% of students live in modern housing
- Turn away 100s of students due to lack of space
- Substantial shortfall in ADA compliant facilities.



# Communities that Inspire the Mind

Create a campus that:

- Strengthens undergraduate experience
  - On-campus: 86% retention
  - Off-campus: 66% retention
- Builds a creative, productive, and collaborative community
  - Global Scholars
  - First Scholars



# Research, Economic, and Community Development

| Performance Metric                                   | Historical (2005-06) | Baseline            | 2009-10 Data  | 2015 Target | Percent Change Baseline to Target |
|--|----------------------|---------------------|---|-------------|-----------------------------------|
| Externally-Funded Research & Development (thousands) | \$226,106            | \$241,672 (2008-09) | \$235,275  | \$290,000   | 20%                               |
| Degrees & Credentials in STEM+H Fields               | 1,896                | 1,979 (2009-10)     | 2,184      | 2,356       | 19.1%                             |

*Externally-funded research and development includes all sources of science and engineering R&D funding other than institutional sources such as endowments. STEM+H includes certificates and degrees at all levels in the Science, Technology, Engineering, Mathematics and Health fields.*

# Research, Economic, and Community Development

- Strengths and Strategies:  
Bio-Medical Sciences
- UK Center for Clinical and Translational Sciences
  - Sanders-Brown Center
  - Markey Cancer Center
  - BioPharm Complex
  - Albert B. Chandler Hospital



# Research, Economic, and Community Development

## Strengths and Strategies: Energy and Technology

- Center for Applied Energy Research
- Davis Marksbury Building – UK's Digital Village
- Houseboat to Energy Efficient Residences



# Efficiency and Innovation

| Performance Metric   | Historical (2005-06) | Baseline (2009-10) | 2015 Target | Percent Change Baseline to Target |
|--|----------------------|--------------------|-------------|-----------------------------------|
| Credits Earned by Degree Graduates                                     | 141                  | 139                | 132         | -5%                               |
| Online Learning (Percent of all credit earned through online learning) | 2.2%                 | 4%                 | 6%          | 73%                               |

*Credits earned by degree graduates includes all Bachelor's degree graduates during the year. Online learning measures the percent of completed student credit hours delivered through distance learning.*

# Efficiency and Innovation

## Streamlining the University through:

- Pharmacy bulk purchasing initiative
- Healthtrac Wellness Program
- \$118 million in savings since FY 2001-02
- Review of internal operations and practices
- Partnership with private developer to revitalize residence halls

# University of Kentucky

## Institutional Progress Update

Presentation to the Council on  
Postsecondary Education



President Eli Capilouto  
February 10, 2012



## President's Report to the Council on Postsecondary Education

Robert L. King – February 10, 2012



**University of Pikeville Study** – The Finance and Administration Cabinet has awarded a contract to the National Center for Higher Education Management Systems (NCHEMS) of Boulder, Colorado, to conduct a study of the University of Pikeville.

The contract requires NCHEMS to analyze the following areas:

- The extent of postsecondary need in the region (southeastern Kentucky).
- The existing capacity of the University of Pikeville to meet the region's needs, along with its financial capacity, including matters pertaining to debt, post-retirement benefit liabilities, endowment management, physical resources, technology utilization, student-support capacities, workforce issues, strategic planning, and accreditation.
- Additional resources that might be necessary.
- The impact of a public University of Pikeville on other public institutions.
- How a public University of Pikeville might affect *The Postsecondary Improvement Act of 1997* (HB 1).
- The identification of other options, i.e., alternative approaches to address the higher education needs of the region.

Staff from NCHEMS spent several days in Frankfort last week meeting with elected and appointed officials from both the executive and legislative branches as well as higher education leaders. This week, staff from NCHEMS met with University of Pikeville officials in Pikeville. The contract calls for a report to be provided to the Governor by March 15.

**Revisions to Council's Admissions Regulation now in effect** – 13 KAR 2:020, the Council's admission regulation was revised to reflect the newly aligned standards and performance indicators, and the change in minimum high school graduation requirements. The revisions to the regulation will take effect fall 2012. The revised regulation reflects the new academic standards and learning outcomes that indicate readiness for credit-bearing English, mathematics, and reading intensive courses and a set of common college readiness indicators for the three subject areas. These indicators will be used by K-12, adult education, and all public postsecondary institutions as intervention programs and postsecondary bridge and transition programs are designed.

**National Forum** – Kentucky has once again been acknowledged as a national leader in education reform with the process we are using to implement the Common Core State Standards. With sponsorship from national and local leaders in education, we are hosting a national forum in Louisville, February 27-29 at the Louisville Marriott Downtown. *Architecture for Implementing the Common Core Standards: Strategies, Partnerships, & Progress* will build next steps for Kentucky and highlight our college and career readiness strategies and implementation of the common core standards in elementary, secondary, and postsecondary education.

In addition to attendees from all Kentucky public and private higher education institutions and the P-12 leadership networks, there are participants from 16 states, including the higher education leads from the assessment consortia and eight national organizations focused on improving education. The audience for this event encompasses the P-20 continuum and includes presidents of universities, deans, faculty, superintendents, K-12 teachers, school leaders, and policy makers.

**Student Success Summit** – The Council on Postsecondary Education will host a Student Success Summit on April 2-3 at the Louisville Downtown Marriott. Speakers include nationally known student success experts, including George Kuh, Joe Cuseo, Larry Abele, and Tom DeWit. Workshop sessions will focus on the first year experience, high-impact educational practices, and closing the achievement gap.

**Education and Labor Market Study** – The Council was recently awarded a small grant from the National Governor’s Association to produce a report and stimulate a statewide discussion among policy leaders looking at gaps between current and projected labor market needs and degree production, especially in high-wage and high-demand fields and other areas linked to economic growth and community. This project is consistent with strategy 7.1 of *Stronger by Degrees*, which is intended to strengthen and expand partnerships with business, industry, government, nonprofit, and other educational entities to meet Kentucky’s workforce and community needs. The study will be conducted by MGT of America, headquartered in Tallahassee, Florida, and is scheduled to be completed by the summer of 2012.

**Kentucky Delivery Network** – The Council staff, working in collaboration with institutional representatives at EKU, KCTCS, KSU, MoSU, and NKU and staff from the U.S. Education Delivery Institute (EDI), launched the Kentucky Delivery Network in January 2012. EDI is a non-profit organization, based in Washington D.C., that helps translate postsecondary education system reform goals into improved student outcomes. EDI adapts and applies a proven performance management approach known as “Delivery.” It was pioneered by Sir Michael Barber with his work for Prime Minister Tony Blair in the United Kingdom. Kentucky’s Delivery Network is a voluntary support structure and forum for institutional representative to increase the rigor of their strategic implementation processes in order to achieve the institutional performance targets by 2015.

**GEAR UP Kentucky Student** – Joshua Sparks, a GEAR UP Kentucky student and a graduate of Eastern Kentucky University, will address approximately 1,100 education professionals as the featured luncheon speaker of the 2012 NCCEP-GEAR UP Capacity-Building Workshop in New York City, on February 12-15. The workshop is designed and coordinated by the National Council for Community and Education Partnerships (NCCEP) and planned in conjunction with the U.S. Department of Education for the GEAR UP (Gaining Early Awareness and Readiness for Undergraduate Programs) program. Josh will share his perspective on how participating in the GEAR UP Kentucky program helped him become a college graduate. Josh graduated in May 2011 after four years at EKU, during which time he participated in an internship at the Department of the Treasury in Washington, D.C., studied in London for a semester, and was deeply involved in numerous student organizations. After graduation, he studied sociology at the University of Toronto and is currently pursuing a master’s degree in statistics at George Washington University, with plans to pursue a doctorate in mathematics.

Josh is a graduate of the first GEAR UP program (2000-2006). The Council is working to collect data and identify other GEAR UP students from the first grant that have successfully graduated from college. This spring, a comprehensive report will detail the results of the second GEAR UP program (2005-2011), which recently graduated its first high school cohort.

**Council on Postsecondary Education  
February 10, 2012**

## **KnowHow2Transfer Website Presentation**

The Council on Postsecondary Education and postsecondary institutions have worked with CollegeSource Inc. to develop a Transfer Equivalency and Degree Pathway Articulation System to facilitate transfer from institutions in the Kentucky Community and Technical College System to all public universities and some private institutions in the state. Over the past two years, Council staff and institutional representatives have worked to implement CollegeSource's Transfer Equivalency System software and develop a public website - KnowHow2Transfer - that is built around the software's functionalities.

The KnowHow2Transfer website provides students, advisors, and the general public with one place for information on the transfer process, institutional transfer policies, degree program requirements, and transfer contact information. It also allows users to find institution-specific course equivalencies by searching for individual courses and courses within general education block areas that will be accepted and applied toward graduation requirements. In addition, the website charts degree pathways, which are the courses that KCTCS students should take in order to complete their associate degree and transfer into specific baccalaureate programs. It also allows users to create and print lists of course equivalencies that meet general education and pre-major program requirements and outlines next steps in the transfer process.

KnowHow2Transfer is a comprehensive interactive tool that meets key requirements of KRS 164.2951, also known as HB 160. It reflects the KCTCS common course numbering system, the statewide course classification system for general education, and alignment of general education and prerequisite learning outcomes. It can also be used to outline individual course and general education block transfer for students. The degree pathways show the alignment of Associate of Arts and Associate of Science degrees with related Bachelor of Arts and Bachelor of Science degrees. The website also notifies users of statewide common college readiness indicators, assessment instruments, course placement scores, and developmental course equivalencies. In addition, it provides statewide standard acceptable scores for AP courses and CLEP exams and the appropriate college course credit awarded for meeting those acceptable scores.

Staff preparation by Kim Arington and Gabrielle Gayheart



**Council on Postsecondary Education  
February 10, 2012**

**2012-13 Tuition Setting Process**

**ACTION: The staff recommends that the Council approve the attached Tuition and Mandatory Fee Policy and 2012-13 Tuition Setting Timeline that provide a framework for establishing public postsecondary tuition and fees for AY 2012-13.**

At the November 10, 2011, Council meeting, staff submitted draft Tuition and Mandatory Fee Policy and 2012-13 Preliminary Tuition Setting Timeline documents to Council members for review and discussion. Since that time, staff has continued to work with campus chief budget officers to finalize the tuition policy, process, and timeline documents.

Attached for Council review and action are recommended Tuition and Mandatory Fee Policy (Attachment A) and 2012-13 Tuition Setting Timeline (Attachment B) documents that, once approved, will be used to guide the 2012-13 Tuition and Fee Setting process. Also attached are tables, graphs, and figures that highlight key tuition issues for the upcoming academic year and provide policy relevant information which will facilitate the tuition setting process.

**Tuition Policy, Process, and Timeline**

*Tuition and Mandatory Fee Policy*

A draft Tuition and Mandatory Fee Policy was submitted to the Council at the November 10 meeting. Since that time, the policy has been reviewed and discussed by CPE staff, campus presidents, and institution chief budget officers. There were no suggested changes to the policy.

Staff recommends that the Council approve the attached Tuition and Mandatory Fee Policy (Attachment A), which will guide development of tuition and mandatory fee rate ceilings and facilitate assessment of campus rate proposals for academic year 2012-13.

*Tuition Setting Process*

The process for determining tuition and mandatory fee ceilings and bringing institution rate proposals for Council approval will be similar to the one used in 2011-12. A major goal of the process is to provide ample time for stakeholder discussion and exchange of information between and among Council staff, institutional presidents, chief budget officers, and Council members. This exchange of information will lead to better understanding of key tuition issues and provide opportunity for feedback and direction, before taking action on tuition rates.

## *2012-13 Tuition Setting Timeline*

Attachment B contains a final timeline of activities and anticipated completion dates for the 2012-13 tuition setting process. Since its introduction in preliminary form at the November 10 Council meeting, the timeline has been reviewed and discussed by CPE staff and postsecondary institution chief budget officers. There were no suggested changes to the timeline.

As can be seen in the timeline, it is anticipated that the Council will review and approve tuition policy and timeline documents at the February 10 meeting, take action on staff's recommended tuition ceilings at the April 20 meeting, and approve each institution's proposed tuition and mandatory fee rates at the June 20 meeting.

Staff recommends that the Council approve the attached 2012-13 Tuition Setting Timeline that establishes completion dates for the development of tuition and mandatory fee ceilings and submission of postsecondary institution rate proposals.

### **Key Tuition Issues**

Highlighted below is a list of key issues that will likely impact the 2012-13 tuition setting process.

#### *Declining Share of State Budgets*

In recent decades, a persistent problem for many state systems of American higher education has been a reduction in relative priority given to postsecondary education as a percentage of overall state budgets. In the Commonwealth of Kentucky, for example, in every biennium since 2006-08, postsecondary education's share of total state General Fund appropriations has decreased, and HB 265, the Governor's Executive Branch Budget, proposes appropriation levels in 2012-14 that will further erode higher education's share of the total state General Fund.

- As can be seen in Attachment C, in fiscal year 1998-99, postsecondary education (which includes the Council on Postsecondary Education, state student financial aid, and postsecondary institution funding components) received appropriations totaling \$873 million, or a 14.6 percent share of Kentucky's total General Fund budget (\$6 billion) that year.
- Fifteen years later, in FY14, the Governor's Executive Branch Budget (HB 265) calls for \$9.8 billion in total state General Fund spending, or an increase of \$3.8 billion compared to FY99.
- Despite the increase in the overall state budget, higher education's share of the total state General Fund fell from 14.6 percent to 12.0 percent, resulting in a \$290 million inflation adjusted decrease for the postsecondary institutions alone during this period.

- If postsecondary education were to retain the same share of the state's total General Fund budget in 2014 that it had in 1999, it would receive about \$230 million more in state support.

Long-term, sustained state support for education continues to be placed in jeopardy due to unsustainable increases in Medicaid and Corrections, stemming in part from a historically low level of educational attainment in Kentucky.

#### *General Fund Reductions*

The high water mark in terms of state support for Kentucky's public postsecondary institutions occurred in 2007-08, when the 2006 General Assembly enacted a budget containing a combined total \$1.084 billion in net General Fund appropriations for state colleges and universities (2006-08 Budget of the Commonwealth). Since that time, the postsecondary institutions have sustained five budget cuts in four years, including three mid-year Budget Reduction Orders and two enacted reductions.

- As can be seen in Attachment D-1, between 2007-08 and 2011-12, state colleges and universities lost \$105.4 million or 9.7 percent of their combined net General Fund operating revenue, representing an average annual decrease of 2.5 percent.

The Governor's 2012-14 Executive Branch Budget (HB 265) calls for more of the same, recommending a \$62.6 million or 6.4 percent reduction in postsecondary institution net General Fund appropriations between 2011-12 and 2012-13.

- As can be seen in Attachment D-2, the Executive Budget proposes combined net General Fund appropriations of \$916.0 million for Kentucky colleges and universities in 2012-13 (and the same amount is proposed for 2013-14).
- If the Governor's budget is enacted as proposed, the combined loss in postsecondary institution net General Fund revenue between 2007-08 and 2012-13 will be \$168.0 million or 15.5 percent.

#### *Unfunded M&O Expense*

When the General Assembly authorizes and issues bonds for new capital construction projects on Kentucky public postsecondary institution campuses, there are costs associated with maintaining and operating those facilities (i.e., M&O costs). These costs stem from activities necessary for a building and its systems and equipment to perform their intended function and include salaries and benefits expense for janitorial and maintenance staff, as well as, utilities and energy costs.

Before 2008, it had been standard practice for the Kentucky legislature to provide General Fund support for the maintenance and operation of previously authorized education and general (E&G) facilities expected to come online during the biennium. Over the past four years, however, austere state budget conditions contributed to a suspension of this practice, with KCTCS being the only institution to receive partial M&O funding in 2008-10, and no institution receiving M&O in 2010-12.

- As can be seen in Attachment E, Council staff estimates that annual M&O expense associated with new E&G facilities coming online at Kentucky's public postsecondary institutions increased by \$37.0 million between 2008-09 and 2011-12.

The Council on Postsecondary Education requested state General Fund appropriations to support M&O for new facilities both in 2008-10 and in 2010-12. Other than the partial M&O funding received by KCTCS in 2008-10, these requests went unfunded.

Lack of state General Fund support for M&O during this period has been equivalent to a 3.7 percent budget cut (on an approximate \$1.0 billion net General Fund base). This is because institutions are required to reallocate resources from other uses (i.e., instruction, research, public service) to open, operate, and maintain the new facilities.

- It is estimated that an additional \$3.1 million in annual M&O expense will be required over the course of the 2012-14 biennium (Attachment E).

The Council's 2012-14 Biennial Budget Recommendation contained requests not only to support the expected increase in M&O expense in 2012-14, but also to recover the \$37.0 million in unfunded M&O incurred between 2008-09 and 2011-12.

The Governor's Executive Budget (HB 265) does not contain any funding for M&O, which will require state colleges and universities to divert a combined \$40.1 million in resources from other campus programs and activities to cover these necessary expenditures.

#### *Fixed Cost Increases*

Every year, CPE staff provides Council members with estimates of anticipated fixed cost increases at Kentucky's public postsecondary institutions, as well as, estimates of additional tuition and mandatory fee revenue that could be generated by different levels of rate increase implemented during the upcoming academic year.

Fixed cost increases typically include M&O costs for new facilities, mandated increases in KERS and KTRS retirement system contributions and health insurance premiums, and increased expenses for other fixed costs such as utilities, contractual obligations, and workmen's and unemployment compensation.

- Attachment F-1 shows the potential impact of a 6.4 percent cut in net General Fund appropriations (as proposed in the Executive Budget, HB 265), anticipated fixed cost increases, and estimated increases in tuition and fee revenue on postsecondary institution operating budgets for the upcoming 2012-13 academic year.
- If the Governor's budget is enacted as proposed, Kentucky's public postsecondary institutions will lose a combined \$62.6 million in net General Fund revenue between FY12 and FY13.
- This reduction coincides with estimated increases of \$1.2 million in M&O expense for facilities coming online next year, \$5.0 million in mandated increases in employer paid retirement contributions and health insurance premiums, and \$57.1 million in other fixed cost increases.

As described in more detail above, the \$1.2 million increase in annual M&O expense for 2012-13 does not include \$37.0 million in unfunded M&O expense associated with facilities that came online between 2008-09 and 2011-12, or \$1.8 million requested for 2013-14.

Although the Council's 2012-14 Budget Recommendation included requests totaling \$40.1 million to support M&O costs over the biennium, the Executive Budget (HB 265) does not contain any funding for M&O.

The sustained lack of funding for M&O, combined with other fixed cost increases, has placed increased pressure on postsecondary institution budgets and required campus leaders to divert resources from other programs or functional areas to cover these necessary expenditures.

- When the proposed reduction in General Fund, unfunded M&O, and estimated fixed cost increases are considered in combination, postsecondary institutions are facing a total possible revenue loss of \$163.0 million in 2012-13.

Attachment F-1 also shows how much tuition and mandatory fee revenue would be generated at various levels of rate increase (net of institutional scholarships and waivers).

- For example, a 5 percent tuition and fee increase, assessed uniformly across all postsecondary sectors and all categories of students, would generate a combined increase in tuition and fee revenue of \$42.6 million, net of institutionally provided scholarships and waivers.
- In other words, the estimated increase in net tuition and fee revenue associated with a 5 percent rate increase would cover only about one-fourth of the potential \$163.0 million loss associated with proposed budget reductions, unfunded M&O, and fixed cost increases, resulting in a net operating deficit of \$120.4 million.

This gap is illustrated graphically in Attachment F-2.

## *Financial Aid*

Listed below is financial aid information relevant to the 2012-13 tuition and fee setting process.

### Federal Aid

- The maximum federal Pell-grant award is expected to stay the same in 2012-13 (i.e., \$5,550) as it was in 2011-12 (News from NASFAA, 2012-13 Federal Pell Grant Payment and Disbursement Schedules).
- In 2009-10, the average Pell-grant award for students attending a KCTCS institution was \$3,318 and the average award for students attending a Kentucky public, four-year institution was \$3,893 (U.S. Department of Education, Distribution of Federal Pell Grant Program Funds by Institution, 2009-10 Award Year).

### State Aid

- Enacted appropriations for state funded student financial aid have leveled off in recent years and the Governor's Executive Budget (HB 265) does not call for increases in 2012-14 over amounts enacted in 2010-12.
- For example, while state student aid appropriations grew by 3.6 percent per year between FY07 and FY11, if the Governor's budget is enacted as proposed, there will be little change in state student aid between FY11 and FY14 (+0.1 percent growth).
- The maximum state KEES award is expected to be \$2,500 next year, and the maximum state CAP award is expected to be \$1,900 (Kentucky Higher Education Assistance Authority).
- In 2010-11, the average state KEES award was \$882 for students attending a KCTCS institution and \$1,565 for students attending a Kentucky public, four-year institution (KHEAA Financial Aid Distribution by Institution, 2010-11).
- That same year, average state CAP awards were \$1,417 at KCTCS institutions and \$1,660 at Kentucky public, four-year institutions (KHEAA Financial Aid Distribution by Institution, 2010-11).
- In 2009-10, Kentucky ranked 12th highest nationwide in state-funded, need-based undergraduate grant dollars per FTE student and 7th highest in state-funded, total undergraduate grant dollars per FTE student (NASSGAP, 41<sup>st</sup> Annual Survey Report, 2009-10).

## Price Trends and Comparisons

### *Kentucky Price Trends*

The pace of increase in tuition and fee sticker prices at Kentucky's public postsecondary institutions has slowed in recent years, compared to a more aggressive growth pattern evident during the preceding decade.

- As can be seen in Attachment G, with the exception of two institutions that implemented a special use fee last year, the one-year change in resident undergraduate tuition and mandatory fees is lower than the five-year average annual growth rate (AAGR) for most institutions.
- As a reminder, the University of Louisville, Morehead State University, Northern Kentucky University, and Western Kentucky University all implemented student endorsed and Council approved special use fees last year, which allowed these institutions to exceed Council rate ceilings.
- The two-year AAGR in resident undergraduate tuition and mandatory fees is lower than the five-year AAGR for every institution.
- Other than the four institutions that implemented a special use fee last year, the one-year change in resident undergraduate tuition and mandatory fees reflects Council approved rate ceilings of 4 percent, 5 percent, and 6 percent for the two-year, comprehensive, and research sectors, respectively.

### *Regional Price Comparison*

For several years, CPE staff has provided Council members with information comparing list prices of Kentucky public colleges and universities averaged by sector to comparable groups of institutions and sectors in surrounding states.

As can be seen in Attachments H-1, H-2, and H-3, the relative rank of Kentucky's public postsecondary institution tuition and required fees varies by sector compared to similar institutions in a contiguous eight-state region.

- In academic year 2010-11, resident undergraduate tuition and required fees at the University of Kentucky ranked fifth highest out of eight flagship universities in the region.
- That same year, average resident undergraduate tuition and fees at Kentucky's comprehensive universities ranked fifth highest out of eight states in the region.
- Compared to community colleges in the states surrounding Kentucky, average resident tuition and fees at KCTCS ranked highest (using academic year 2009-10 data).

These data also show that compared to similar institutions in surrounding states:

- Full-time tuition and fees at the University of Kentucky tend to be about average for resident undergraduate students, lower for nonresident undergraduate students, about average for resident graduate students, and lower for nonresident graduate students.
- Average full-time tuition and fees at Kentucky's comprehensive colleges and state universities tend to be about average for resident and nonresident undergraduate students, about average for resident graduate students, and lower for nonresident graduate students.
- Average full-time tuition and fees at Kentucky's community colleges tend to be higher for both resident and nonresident students compared to surrounding states.

As can be seen in Attachments I-1, I-2, and I-3, the relative rank of Kentucky's public postsecondary institution, average resident undergraduate tuition and required fees has changed by sector over time compared to similar institutions and sectors in a contiguous eight-state region.

- Between academic years 1999-00 and 2010-11, resident undergraduate tuition and fees at the University of Kentucky grew at an average annual rate of 9.1 percent and increased in rank compared to similar institutions from sixth highest to fifth highest out of eight states in the region.
- During that same time period, average resident undergraduate tuition and fees at Kentucky's comprehensive colleges and state universities grew at an average rate of 9.7 percent per year and increased in rank from seventh highest to fifth highest out of eight states.
- Average resident tuition and fees at Kentucky's community colleges grew at an average annual rate of 12.3 percent and increased in rank from seventh highest to highest among eight states between academic years 1999-00 and 2009-10.

### **Policy Relevant Information**

For the past several years, CPE staff has produced a series of tables, graphs, and figures that provides context for the tuition setting process. This information is typically organized around the fundamental objectives of the Council's tuition and mandatory fee policy, including funding adequacy, shared benefits and responsibility, affordability and access, attracting and importing talent, and effective use of resources.

## *Funding Adequacy*

As described in the Key Tuition Issues section of this agenda item, on an inflation adjusted basis, state General Fund support for Kentucky's public postsecondary institutions has eroded over the past decade, particularly during the last four years. At the same time, the number of full-time equivalent (FTE) students enrolled at state colleges and universities has increased dramatically.

### State Support

- As can be seen in Attachment J-1, inflation adjusted net General Fund appropriations for Kentucky's public postsecondary system decreased from \$1,179 million in FY99 to \$979 million in FY12, a reduction of \$200 million, or 17.0 percent.
- If the Governor's Executive Budget is enacted as proposed, state support for the institutions will decrease by an additional \$63 million or 6.4 percent.
- During this same time period, full-time equivalent enrollment at Kentucky colleges and universities (designated by the green line in Attachment J-1) is expected to increase by 56,860 students or 48.5 percent.

The combination of declining state support and growing enrollment resulted in a marked reduction in state support per FTE student over the last decade.

- As can be seen in Attachment J-3, inflation adjusted net General Fund appropriations per FTE student fell from \$10,273 in FY99 to \$6,195 in FY11 for the postsecondary education system, a loss of \$4,078 per student and an average annual decrease of 4.1 percent.

The decrease in state funding per student occurred in all postsecondary sectors and at every institution, although the extent of the decline varies by sector and institution.

- Attachment J-2 shows that the steepest declines occurred in the research (-\$5,841 per student) and two-year college sectors (-\$4,078 per student) during this period.

These data show that state General Fund support at Kentucky's postsecondary institutions did not keep pace with inflation and enrollment growth over the past decade. As a result, the institutions have relied on increased tuition and fee revenue to partially offset the decline in state support during this period.

### Total Public Funds

At the system level, revenue from tuition and fee increases did not fully fund the gap created by reductions in state General Fund support on a per student basis.

- As can be seen in Attachment J-3, inflation adjusted Total Public Funds per FTE student fell from \$15,327 in FY99 to \$14,592 in FY11, an average annual decrease of 0.4 percent.
- Tuition and fee revenue per student increased by \$3,343 during this period, but fell \$735 per student short of filling the gap created by decreased state support.

The change in Total Public Funds per student varied considerably by sector and institution during this period.

- As can be seen in Attachment J-4, inflation adjusted Total Public Funds per student decreased in the research (-\$485 per student) and two-year college (-\$2,935) postsecondary sectors, between FY99 and FY11, while the comprehensive university sector registered an increase in per student funding (+\$2,959) during this period.

Most postsecondary institutions saw their inflation adjusted per student funding increase over the past decade, indicating that at these institutions, the change in Total Public Funds kept pace with inflation and enrollment growth during this period. It is important to keep in mind that these data make no statement about the adequacy of a given institution's or a given sector's funding level in FY99, but do provide an indication of how institutions and sectors have fared over time in the face of inflation and enrollment growth relative to that baseline.

#### Interstate Funding Comparison

Another way to assess funding adequacy is to compare higher education funding in Kentucky to funding in other states, using data from the State Higher Education Finance (SHEF) Report published annually by the State Higher Education Executive Officers (SHEEO) organization in Boulder, Colorado. According to the 2010 SHEF report:

- Kentucky's educational appropriations per FTE student (adjusted for cost of living, higher education inflation, and enrollment mix) equaled \$7,532 in 2010, or about 16.7 percent above the national average of \$6,451. Between 2005 and 2010, educational appropriations per FTE student increased by 0.1 percent in Kentucky, compared to a 3.2 percent decrease in the U.S. average during that period.
- Over the past 15 years, Kentucky's percent change in state appropriations, tuition revenue, and state-funded financial aid per FTE student are all above average compared to other states.
- Full-time equivalent student enrollment grew by 9.7 percent at Kentucky's public postsecondary institutions between 2005 and 2010, compared to an average increase nationally of 14.9 percent.
- In 2010, Kentucky institutions registered a one-year increase in FTE student enrollment of 6.6 percent. That same year, the average increase in FTE enrollment for higher education institutions nationwide was 6.3 percent.

## *Shared Benefits and Responsibility*

The Council's tuition policy espouses the belief that funding postsecondary education should be a shared responsibility of the state and federal government, students and families, and postsecondary education institutions. A basic rationale for this cost sharing approach is that benefits accrue to both the state and the individual from college attainment.

The state benefits from broad postsecondary attainment in the form of a strong economy and an informed citizenry. College graduates benefit through an elevated quality of life, expanded career opportunities, and increased lifetime earnings.

During the late 1990s, the Commonwealth of Kentucky assumed about two-thirds of college costs through provision of net General Fund appropriations, and students and their families assumed the other third in the form of tuition and fee revenue. Since that time, due largely to declining state support for postsecondary education, Kentucky has increasingly relied on tuition and fee revenue as a means of financing its public colleges and universities.

- As can be seen in Attachment K-1, gross tuition and fee revenue as a share of Total Public Funds for the state's public postsecondary system has increased from 33 percent in FY99 to 58 percent in FY11, indicating that Kentucky students and their families are shouldering an increasing share of college costs.
- Increases in student share occurred in all postsecondary sectors and at every institution during this period, although the extent of the ascension varies by sector and institution.
- In FY11, student share is below 50 percent at two institutions (UK and KSU) and above 65 percent at two institutions (NKU and WKU). State support for land grant missions at UK and KSU contribute to lower student shares at these institutions.
- These data show that the average student share for the comprehensive university sector remained about 10 percentage points higher than the average student shares of either the research or the two-year college sector during this period.

The trend toward a growing student share of college costs does not bode well for Kentucky students and their families, and when the historical trend is projected ten years into the future, it does not appear sustainable as a postsecondary financing approach.

- As illustrated graphically in Attachment K-2, if Kentucky continues to follow its recent trend of replacing reductions in state support with tuition and fee revenue, the student share of college costs for the postsecondary system could exceed 70 percent by 2020.

It is unclear at what point rising tuition costs would have an adverse effect on college going rates or college attainment in Kentucky (although we do know that low income students graduate at significantly lower rates than the general student body which is also impacted by their levels of preparedness), but these data indicate that without significant increases in state General Fund support and student financial aid to buffer price increases, combined with continuing use of aggressive cost containment strategies, the current trend is not sustainable as a model to fund achievement of HB 1 (1997) reform goals.

### *Affordability*

Students rarely pay the full price of postsecondary institution tuition and fees. Financial aid from federal, state, and institutional sources reduces the cost of college attendance for most students. For this reason, a frequently used metric for assessing college affordability is net price.

### Net Price

- As can be seen in Attachments L-1, L-2, and L-3, during academic year 2010-11, need and merit-based grants and scholarships from all sources covered the full cost of tuition, fees, and books for all full-time, resident undergraduate students in the lowest income quartile, and many resident undergraduate students in the second income quartile, across all postsecondary sectors.
- Compared to last year, unmet direct costs went up at Kentucky's public four-year institutions for all income levels. This occurred despite an increase in federal Pell grant award recipients and a growing number of FAFSA filers at these institutions.
- Unmet direct costs went down at KCTCS institutions between academic years 2010 and 2011. These data show KCTCS institutions are by far Kentucky's low-cost postsecondary providers despite larger aid amounts at the four-year universities.
- The graphs also show that students in the highest income categories received substantial support through the KEES program and institutional aid in AY11.

The conclusion that can be drawn from these data is that Kentucky's public colleges and universities remain accessible for most full-time, resident undergraduate students, particularly those in the lowest income categories, despite moderate increases in tuition and fee sticker prices over the past few years, due in large part to the availability of student financial aid.

However, if net price increases over time, it can be a sign that college is becoming less affordable for students and their families, particularly if the growth in net price exceeds growth in median family income. For this reason, the increase in unmet direct costs at Kentucky's public four-year institutions is a trend worth noting.

## Student Debt

Another indicator of college affordability is average student loan debt. If unmet need increases over time, some students and families may increase reliance on student loans to help pay their increasing share of college costs. Student loan debt of Kentucky's graduating seniors has increased in recent years, but continues to rank in the bottom quartile compared to other states.

- According to The Project on Student Debt, 63 percent of Kentucky college seniors who graduated in 2006 had student loan debt, with an average for those in debt of \$15,406 (The Project on Student Debt, Student Debt and the Class of 2006, September 2007). This level of average debt ranked Kentucky 44<sup>th</sup> among 50 U.S. states and the District of Columbia.
- Nationally, 58 percent of the class of 2006 graduated with loan debt, with an average for those in debt of \$19,646.
- Four years later, 58 percent of Kentucky's class of 2010 graduated with debt and incurred an average debt of \$19,375 while in college (The Project on Student Debt, Student Debt and the Class of 2010, November 2011). Average debt of Kentucky graduates ranked 43<sup>rd</sup> among 50 U.S. states and the District of Columbia for the 2010 cohort.
- The Project on Student Debt estimates that about two-thirds of college seniors who graduated in 2010 had student debt, with an average of \$25,250 for those with debt.

Although Kentucky's graduating seniors have lower average debt loads than postsecondary graduates in most other states, loan default rates among Kentucky graduates are above the national average.

- In 2009, Kentucky's student loan default rate was 10.2 percent, which ranked 10<sup>th</sup> highest in the nation that year. The U.S. average student loan default rate was 8.8 percent in 2009.

## *Student Access*

Attachments M-1 and M-2 show the change in fall semester, student headcount enrollment at Kentucky public postsecondary institutions over the past five years, broken down by undergraduate versus graduate, and full-time versus part-time.

## Undergraduate/Graduate Enrollment

Due in part to the sustained recession, undergraduate enrollment at Kentucky public colleges and universities grew at a stronger pace the past two years, than it did the three preceding years. Graduate enrollment remained relatively stable the past five years, with slight growth occurring the past two years. The rates of growth for both undergraduate and graduate enrollment vary by institution and sector.

- As can be seen in Attachment M-1, undergraduate enrollment in Kentucky's public postsecondary system grew at an average annual rate of 5.3 percent between fall semesters 2008 and 2010. Over the same time period, graduate enrollment increased by 1.8 percent per year.
- The five-year average annual growth rates for undergraduate and graduate enrollment are 2.9 percent and 0.8 percent, respectively.
- The two-year college and research university postsecondary sectors experienced the largest one-year increases in undergraduate enrollment, growing by 6.3 percent and 2.8 percent, respectively.
- One-year change in undergraduate enrollment at five institutions exceeded 2.0 percent: KCTCS (+6.3 percent), UK (+4.0 percent), ECU (+2.9 percent), NKU (+2.4 percent), and MuSU (+2.2 percent).
- Between fall semesters 2008 and 2010, undergraduate enrollment at KCTCS grew by 16,722 students or 18.6 percent. This represents an average annual growth rate of 8.9 percent.

## Full-Time/Part-Time Enrollment

- As can be seen in Attachment M-2, full-time enrollment in Kentucky's public postsecondary system grew at an average annual rate of 5.5 percent between fall semesters 2008 and 2010. Over the same time period, part-time enrollment increased by 4.0 percent per year.
- The five-year average annual growth rates for full-time and part-time enrollment are 2.8 percent and 2.5 percent, respectively.
- The two-year college and research university postsecondary sectors experienced the largest one-year increases in full-time enrollment, growing by 8.0 percent and 3.1 percent, respectively.
- The research university sector was the only sector to record a one-year decrease in part-time student enrollment (-1.2 percent), continuing a recent trend of increasing full-time enrollment and falling part-time enrollment evident the past five years.

- One-year change in full-time student enrollment exceeded 2.0 percent at four institutions: KCTCS (+8.0 percent), UK (+3.3 percent), UofL (+2.8 percent), and KSU (+2.4 percent).
- Between fall semesters 2008 and 2010, full-time enrollment at KCTCS grew by 9,815 students or 28.1 percent. This represents an average annual growth rate of 13.2 percent.

As is typically the case during recessions, rates of growth in postsecondary enrollment have increased in recent years, placing additional cost demands on institutions during a time when state support for higher education is waning.

### *Effective Use of Resources*

As discussed in the Funding Adequacy section of this agenda item, Kentucky's public colleges and universities have experienced a steady erosion of inflation-adjusted state General Fund support per student over the past 12 years. This loss was partially offset by increased tuition and fee revenue, but the net effect of declining state support and growing student enrollment has been a \$735 decrease in real, Total Public Funds revenue per student between fiscal years 1999 and 2011.

The postsecondary institutions have effectively implemented a variety of cost containment, cost management, and cost avoidance strategies in recent years to help minimize the impact of budget reductions, unfunded M&O expenses, and yearly increases in fixed costs on educational quality and postsecondary reform goals.

A testament to the ability of these institutions to make effective use of resources in an environment characterized by increasing demands on a diminishing level of budgetary resources is the dramatic growth in degrees and completions which has occurred during this period.

- As can be seen in Attachment N, Kentucky's public postsecondary system produced 30,326 more degrees and other completions in academic year 2010-11, than it did in 1998-99 (a 137.5 percent increase), despite a \$735 reduction in inflation-adjusted Total Public Funds per student during this period.
- This graph also illustrates the change over time in higher education funding sources from a one-third student, two-thirds state share for financing college costs, to a model that requires students and their families to pay an increasing share of college costs, approaching 60 percent in FY11.

## **Council on Postsecondary Education Tuition and Mandatory Fee Policy**

The Council on Postsecondary Education is vested with authority under KRS 164.020 to determine tuition at public postsecondary education institutions in the Commonwealth of Kentucky. Kentucky's goals of increasing educational attainment, promoting research, assuring academic quality, and engaging in regional stewardship must be balanced in the context of current needs, effective use of resources, and economic conditions. For the purposes of this policy, mandatory fees are included in the definition of tuition. During periods of relative austerity, the proper alignment of the state's limited financial resources requires increased attention to the goals of the *Kentucky Postsecondary Education Improvement Act of 1997* (HB 1) and the Strategic Agenda for Kentucky Postsecondary and Adult Education.

### **Fundamental Objectives**

- Funding Adequacy

HB 1 states that Kentucky shall have a seamless, integrated system of postsecondary education, strategically planned and adequately funded to enhance economic development and quality of life. In discharging its responsibility to determine tuition, the Council, in collaboration with the institutions, seeks to balance the affordability of postsecondary education for Kentucky's citizens with the institutional funding necessary to accomplish the goals of HB 1 and the Strategic Agenda.

- Shared Benefits and Responsibility

Postsecondary education attainment benefits the public at large in the form of a strong economy and an informed citizenry, and it benefits individuals through elevated quality of life, broadened career opportunities, and increased lifetime earnings. The Council and the institutions believe that funding postsecondary education is a shared responsibility of the state and federal government, students and families, and postsecondary education institutions.

- Affordability and Access

Since broad educational attainment is essential to a vibrant state economy and to intellectual, cultural, and political vitality, the Commonwealth of Kentucky seeks to ensure that postsecondary education is broadly accessible to its citizens. The Council and the institutions are committed to ensuring that college is affordable and accessible to all academically qualified Kentuckians with particular emphasis on adult learners, part-time students, minority students, and students from low and moderate income backgrounds. The Council believes that no citizen of the Commonwealth who has the drive and ability to succeed should be denied access to postsecondary education in Kentucky because of inability to pay. Access should be provided through a reasonable combination of savings, family contributions, work, and financial aid, including grants and loans.

In developing a tuition and mandatory fees recommendation, the Council and the institutions shall work collaboratively and pay careful attention to balancing the cost of attendance, including tuition and mandatory fees, room and board, books, and other direct and indirect costs, with students' ability to pay by taking into account (1) students' family and individual income; (2) federal, state, and institutional scholarships and grants; (3) students' and parents' reliance on loans; (4) access to all postsecondary education alternatives; and (5) the need to enroll and graduate more students.

- Attracting and Importing Talent to Kentucky

It is unlikely that Kentucky can reach its 2020 postsecondary education attainment goals by focusing on Kentucky residents alone. Tuition reciprocity agreements, which provide low-cost access to out-of-state institutions for Kentucky students that live near the borders of other states, also serve to attract students from surrounding states to Kentucky's colleges and universities. In fact, according to the Council's 2007 Brain Gain report, four out of every ten (37 percent) out-of-state graduates were still in Kentucky five years after receiving their degrees.

The Council and the institutions are committed to making Kentucky's institutions financially attractive to nonresident students while recognizing that nonresident undergraduate students should pay a significantly larger proportion of the full cost of their education. Any proposed policy on nonresident tuition and mandatory fees should also be evaluated based on its potential impact on attracting and retaining students which directly enhance diversity and Kentucky's ability to compete in a global economy.

- Effective Use of Resources

Kentucky's postsecondary education system is committed to using the financial resources invested in it as effectively and productively as possible to advance the goals of HB 1 and the Strategic Agenda, including undergraduate and graduate education, engagement and outreach, research, and economic development initiatives. The colleges and universities seek to ensure that every dollar available to them is invested in areas that maximize results and outcomes most beneficial to the Commonwealth and its regions. The Council's performance metrics shall be used to monitor both statewide and institutional performance toward HB 1 and Strategic Agenda goals.

The institutions also recognize their responsibility to demonstrate that they are good stewards of limited public resources by providing annual reports to their governing boards and the Council on their efforts to contain costs, improve efficiencies and productivity, and reallocate existing resources to high priority activities.

### **Special Use Fees Exception Policy**

During the 2010-11 tuition setting process, campus officials requested that the Council consider excluding student endorsed fees from its mandatory fee definition, thus omitting consideration of such fees when assessing institutional compliance with Council approved tuition and fee rate ceilings. Based on feedback received from institutional Chief Budget Officers (CBOs) at their December 2010 meeting, it was determined that there was general interest in treating student endorsed fees differently from other mandatory fees.

In January and February 2011, Council staff collaborated with institutional presidents, CBOs, and their staffs in developing the following Special Use Fees Exception Policy:

- To the extent that students attending a Kentucky public college or university have deliberated, voted on, and requested that their institution's governing board implement a special use fee for the purposes of constructing and operating and maintaining a new facility, or renovating an existing facility, that supports student activities and services;
- And recognizing that absent any exemption such student endorsed fees, when implemented in the same year that the Council adopts tuition and fee rate ceilings, would reduce the amount of additional unrestricted tuition and fee revenue available for the institution to support its Education and General (E&G) operation;
- The Council may elect to award an exemption to its tuition and fee rate ceiling equivalent to all or a portion of the percentage increase resulting from imposition of the student endorsed fee, provided said fee meets certain eligibility requirements.

## **Definitions**

A student endorsed fee is a mandatory flat-rate fee, that has been broadly discussed, voted on, and requested by students and adopted by an institution's governing board, the revenue from which may be used to pay debt service and operations and maintenance expenses on new facilities, or capital renewal and replacement costs on existing facilities and equipment, that support student activities and services, such as student unions, fitness centers, recreation complexes, health clinics, and/or tutoring centers.

Maintenance and Operations (M&O) expenses are costs incurred for the administration, supervision, operation, maintenance, preservation, and protection of a facility. Examples of M&O expenses include janitorial services, utilities, care of grounds, security, environmental safety, routine repair, maintenance and replacement of furniture and equipment, and property and facility planning and management.

## **Eligibility Criteria**

A student endorsed fee will continue to be a mandatory fee within the context of the Council's current mandatory fee definition and may qualify for an exemption from Council approved tuition and fee rate ceilings. Campus officials and students requesting an exemption under this policy must be able to demonstrate that:

- All enrolled students have been afforded ample opportunity to be informed, voice their opinions, and participate in the decision to endorse a proposed fee. Specifically, it must be shown that fee details have been widely disseminated, broadly discussed, voted on while school is in session, and requested by students.

- For purposes of this policy, voted on means attaining:
  - a. A simple majority vote via campus wide referendum, with a minimum of one-quarter of currently enrolled students casting ballots;
  - b. A three-quarters vote of elected student government representatives; or
  - c. A simple majority vote via campus wide referendum, conducted in conjunction and coinciding with general election of a student government president or student representative to a campus board of regents or board of trustees.
- The proposed fee and intended exemption request have been presented to and adopted by the requesting institution's governing board. It is anticipated that elected student government representatives will actively participate in board presentations.
- Revenue from such fees will be used to pay debt service and M&O expenses on new facilities, or capital renewal and replacement costs on existing facilities and equipment, which support student activities and services, such as student unions, fitness centers, recreation complexes, health clinics, and/or tutoring centers. The Council expects these uses to be fully explained to students prior to any votes endorsing a fee.
- In any given year, the impact of a student endorsed fee on the overall increase in tuition and mandatory fees for students and their families will be reasonable. It may be appropriate to phase in the exemption over multiple years to maintain affordability and access.
- Requests for student endorsed exemptions are infrequent events. The Council does not expect requests for exemptions under this policy to occur with undue frequency from any single institution and reserves the right to deny requests that by their sheer number are deemed excessive.
- A plan is in place for the eventual reduction or elimination of the fee upon debt retirement, and details of that plan have been shared with students. The Council does not expect a fee which qualifies for an exemption under this policy to be assessed at full rate in perpetuity. Such fees should either terminate upon completion of the debt or, in the case of new facilities, may continue at a reduced rate to defray ongoing M&O costs. In either case, to qualify for an exemption, students should be fully aware of the extent of their obligation prior to any votes endorsing a fee.

## Exemption Process

Requests for an exemption under this policy will be evaluated on a case by case basis. To initiate the process:

- The requesting institution will notify Council staff of any pending discussions, open forums, referendums, or student government actions pertaining to a proposed special use fee and discuss fee details with Council staff as needed.

- After a fee has been endorsed by student referendum or through student government action and approved by the institution's governing board, campus officials and students will submit a written exemption request to the Council for its consideration.
- Council staff will review the request, assess whether or not the proposed fee qualifies for an exemption, and make a recommendation to the Council.

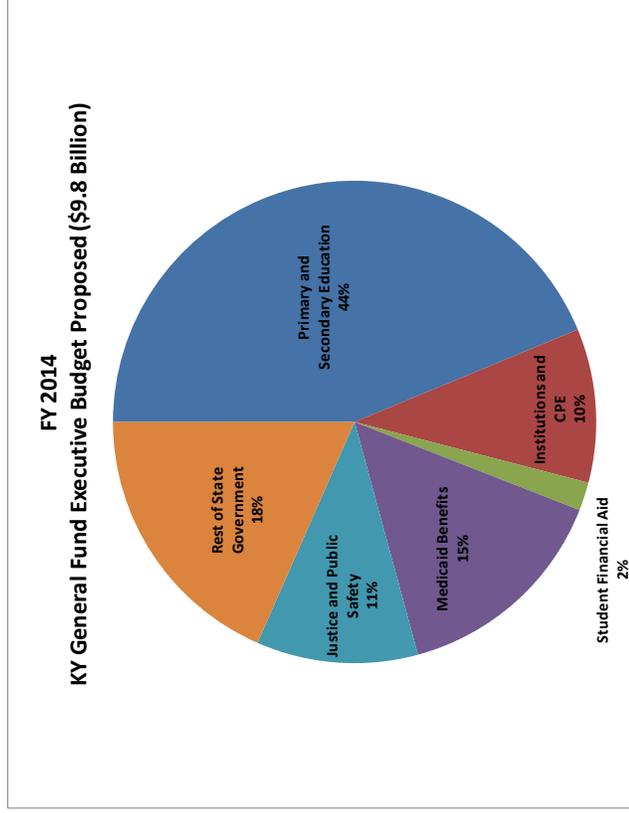
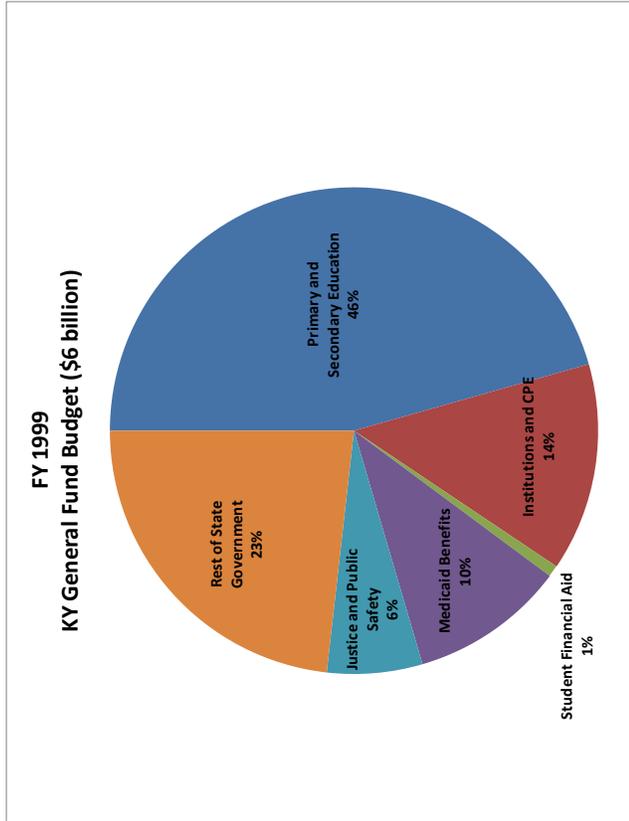
To facilitate the exemption request process, requesting institutions and students are required to provide the Council with the following information:

- Documents certifying that the specific project and proposed fee details have been widely disseminated, broadly discussed, voted on, and requested by students, as well as adopted by the institution's governing board.
- Documents specifying the fee amount, revenue estimates, uses of revenue, impact on tuition and fees during the year imposed (i.e., percentage points above the ceiling), and number of years the fee will be in place.
- Documents identifying the project's scope, time frame for completion, debt payment schedule, and plan for the eventual reduction or elimination of the fee upon debt retirement.

## Council on Postsecondary Education 2012-13 Tuition Setting Timeline

- Nov 10, 2011 CPE Meeting – The staff provides Council members an update regarding the 2012-13 tuition setting process. They share the 2011-12 tuition policy and a preliminary 2012-13 tuition setting timeline with Council members.
- Nov-Dec 2011 Initiate discussions with institutions and generate draft tuition policy and tuition setting process documents for 2012-13.
- Council staff collects data and generates information related to funding adequacy, affordability, access, financial aid, and productivity.
- Institutional staffs collect data and generate information related to fixed cost increases, potential impacts of tuition increases, anticipated uses of additional tuition revenue, financial aid, and student debt.
- Jan 2012 Council and institutional staffs exchange information from respective data collection efforts and work together to finalize for distribution to Council members.
- Feb 10, 2012 CPE Meeting – The Council takes action on 2012-13 Tuition and Mandatory Fee Policy and 2012-13 Tuition Setting Process documents.
- The staff provides Council members with policy relevant information related to funding adequacy, affordability, access, financial aid, and productivity. Institutions share information regarding potential impacts of tuition increases and anticipated uses of additional tuition revenue.
- Feb-Apr 2012 Council and institutional staffs discuss policy relevant information and preliminary tuition parameters. The Council president updates Council members regarding these discussions.
- Apr 20, 2012 CPE Meeting – The Council takes action on recommended tuition and mandatory fee parameters.
- May 2012 Institutional staffs share proposed 2012-13 tuition and mandatory fee rates with the Council president. The Council president updates Council members regarding the proposed rates.
- Jun 20, 2012 CPE Meeting – The Council takes action on each institution’s proposed 2012-13 tuition and mandatory fee rates.

### Change in Postsecondary Education’s Share of Total State Budget FY 1999 and FY 2014 (Executive Branch Proposed)



|  | FY 1999              | FY 2014                |
|--|----------------------|------------------------|
| <b>Postsecondary Education Funding</b>   |                      |                        |
| Public Postsecondary Education Institutions and CPE (KY Adult Education and pass-through programs) | \$827 million        | \$988 million          |
| State Student Financial Aid  | \$46 million         | \$190 million          |
| <b>Total</b>   | <b>\$873 million</b> | <b>\$1,178 million</b> |

**Notes:**

- Adjusted for inflation, net General Funds for the public postsecondary education institutions has decreased by approximately \$290 million since FY 1999.
- In FY 2014 (12.2%), if postsecondary education had retained the same share of the General Fund budget it had in 1999 (14.6%), it would have generated approximately \$230 million more in state support for higher education.
- If public postsecondary education had the same funding per student FTE in FY 2014 that it had in FY 1999 (~\$10,000 per FTE inflation adjusted), it would generate approximately \$734 million more in state support for higher education.
- Based upon projected student FTE of 165,000 in FY 2014, state funding per FTE (adjusted for inflation), would decrease by approximately \$4,500 per student, a 45% reduction, since FY 1999.

ATTACHMENT D-1

Kentucky Public Postsecondary Institutions  
 Difference Between 2007-08 Enacted and 2011-12 Adjusted Net General Fund Appropriations

| Institution                  | 2007-08                      | 2011-12 <sup>(c)</sup>    | Dollar Change          | Percent Change | AAGR         |
|------------------------------|------------------------------|---------------------------|------------------------|----------------|--------------|
|                              | Enacted Net General Fund     | Adjusted Net General Fund |                        |                |              |
| University of Kentucky       | \$335,071,000 <sup>(a)</sup> | \$303,279,200             | (\$31,791,800)         | -9.5%          | -2.5%        |
| University of Louisville     | 168,572,300                  | 150,849,100               | (17,723,200)           | -10.5%         | -2.7%        |
| Eastern Kentucky University  | 79,761,400                   | 72,301,000                | (7,460,400)            | -9.4%          | -2.4%        |
| Kentucky State University    | 27,441,700                   | 25,146,800                | (2,294,900)            | -8.4%          | -2.2%        |
| Morehead State University    | 48,202,100                   | 43,820,900                | (4,381,200)            | -9.1%          | -2.4%        |
| Murray State University      | 56,068,700                   | 51,288,200                | (4,780,500)            | -8.5%          | -2.2%        |
| Northern Kentucky University | 55,099,500                   | 50,037,500                | (5,062,000)            | -9.2%          | -2.4%        |
| Western Kentucky University  | 85,115,600                   | 77,377,300                | (7,738,300)            | -9.1%          | -2.4%        |
| KCTCS                        | 228,704,900 <sup>(b)</sup>   | 204,546,700               | (24,158,200)           | -10.6%         | -2.8%        |
| <b>System Totals</b>         | <b>\$1,084,037,200</b>       | <b>\$978,646,700</b>      | <b>(\$105,390,500)</b> | <b>-9.7%</b>   | <b>-2.5%</b> |

<sup>(a)</sup> Includes \$2,000,000 special session appropriation for UK's Center for Applied Energy Research.

<sup>(b)</sup> Includes \$2,373,800 reorganization transfer to KCTCS for Kentucky Board of Emergency Medical Services.

<sup>(c)</sup> Net General Fund appropriations adjusted to restore \$18.9 million transferred from FY12 to FY11 to maintain Kentucky's eligibility for federal Ed Jobs program funding and to transfer \$160,000 from KCTCS to UK and EKU in amounts of \$80,000 each to support Physical Therapy programs at the universities.

AAGR - Average Annual Growth Rate.

Source: Kentucky Budget of the Commonwealth.

ATTACHMENT D-2

Kentucky Public Postsecondary Institutions  
 Difference Between 2011-12 Adjusted and 2012-13 Proposed Net General Fund Appropriations

| Institution                  | 2011-12 <sup>(a)</sup>    | 2012-13 <sup>(b)</sup>    | Dollar Change         | Percent Change |
|------------------------------|---------------------------|---------------------------|-----------------------|----------------|
|                              | Adjusted Net General Fund | Proposed Net General Fund |                       |                |
| University of Kentucky       | \$303,279,200             | \$283,869,300             | (\$19,409,900)        | -6.4%          |
| University of Louisville     | 150,849,100               | 141,194,800               | (9,654,300)           | -6.4%          |
| Eastern Kentucky University  | 72,301,000                | 67,673,700                | (4,627,300)           | -6.4%          |
| Kentucky State University    | 25,146,800                | 23,537,400                | (1,609,400)           | -6.4%          |
| Morehead State University    | 43,820,900                | 41,016,400                | (2,804,500)           | -6.4%          |
| Murray State University      | 51,288,200                | 48,005,800                | (3,282,400)           | -6.4%          |
| Northern Kentucky University | 50,037,500                | 46,835,100                | (3,202,400)           | -6.4%          |
| Western Kentucky University  | 77,377,300                | 72,425,200                | (4,952,100)           | -6.4%          |
| KCTCS                        | 204,546,700               | 191,455,700               | (13,091,000)          | -6.4%          |
| <b>System Totals</b>         | <b>\$978,646,700</b>      | <b>\$916,013,400</b>      | <b>(\$62,633,300)</b> | <b>-6.4%</b>   |

<sup>(a)</sup> Net General Fund appropriations adjusted to restore \$18.9 million transferred from FY12 to FY11 to maintain Kentucky's eligibility for federal Ed Jobs program funding and to transfer \$160,000 from KCTCS to UK and EKV in amounts of \$80,000 each to support Physical Therapy programs at the universities.

<sup>(b)</sup> Total General Fund appropriations, net of debt service and UofL hospital contract, as proposed in HB 265, the Governor's Executive Budget.

Source: Kentucky Budget of the Commonwealth.

## ATTACHMENT E

### Kentucky Public Postsecondary Institutions Estimated Increases in Facilities Maintenance and Operations Expense Between Fiscal Years 2008-09 and 2013-14

| Institution                  | Historical M&O<br>2008-12 <sup>(a)</sup> | New M&O<br>2012-13 | New M&O<br>2013-14 |
|------------------------------|--|--------------------|--------------------|
| University of Kentucky       | \$6,459,400                              | \$261,900          | \$66,900           |
| University of Louisville     | 6,504,600                                | 471,600            | 125,900            |
| Eastern Kentucky University  | 3,898,000                                | 0                  | 0                  |
| Kentucky State University    | 521,000                                  | 249,300            | 229,700            |
| Morehead State University    | 2,924,300                                | 0                  | 0                  |
| Murray State University      | 762,600                                  | 0                  | 0                  |
| Northern Kentucky University | 4,393,900                                | 0                  | 0                  |
| Western Kentucky University  | 3,299,400                                | 0                  | 0                  |
| KCTCS                        | 8,273,300                                | 264,800            | 1,409,500          |
| <b>Total</b>                 | <b>\$37,036,500</b>                      | <b>\$1,247,600</b> | <b>\$1,832,000</b> |

<sup>(a)</sup> Includes M&O for facilities that came online between 2008-09 and 2011-12, which was requested in the Council's 2010-12 budget recommendation, but not funded.

Source: Kentucky Council on Postsecondary Education, 2010-12 Biennial Budget Recommendation.

### Council on Postsecondary Education 2012-14 Biennial Budget Recommendation Requested Appropriations for Facilities Maintenance and Operations

| Institution                  | 2012-13 <sup>(b)</sup><br>M&O Request | 2013-14<br>M&O Request | Biennial<br>Total   |
|------------------------------|---------------------------------------|------------------------|---------------------|
| University of Kentucky       | \$6,721,300                           | \$66,900               | \$6,788,200         |
| University of Louisville     | 6,976,200                             | 125,900                | 7,102,100           |
| Eastern Kentucky University  | 3,898,000                             | 0                      | 3,898,000           |
| Kentucky State University    | 770,300                               | 229,700                | 1,000,000           |
| Morehead State University    | 2,924,300                             | 0                      | 2,924,300           |
| Murray State University      | 762,600                               | 0                      | 762,600             |
| Northern Kentucky University | 4,393,900                             | 0                      | 4,393,900           |
| Western Kentucky University  | 3,299,400                             | 0                      | 3,299,400           |
| KCTCS                        | 8,538,100                             | 1,409,500              | 9,947,600           |
| <b>Total</b>                 | <b>\$38,284,100</b>                   | <b>\$1,832,000</b>     | <b>\$40,116,100</b> |

<sup>(b)</sup> Includes M&O for facilities that came online between 2008-09 and 2011-12, which was requested in the Council's 2010-12 budget recommendation, as well as M&O for 2012-13.

Source: Kentucky Council on Postsecondary Education, 2012-14 Biennial Budget Recommendation.

**Kentucky Public Postsecondary Institutions  
Estimated Budgetary Impact of 6.4% Net Base Reduction and Fixed Cost Increases**

**ATTACHMENT F-1**

| Institution                  | Potential Reductions in 2012-13 Funds Available for Instruction |                                       |  |  |   | Total Potential Reductions |                                   |  |
|------------------------------|---|---------------------------------------|--|--|---|----------------------------|-----------------------------------|--|
|                              | 2011-12 (a)<br>Revised Net<br>General Fund                      | 2011-12 (b)<br>Ed Jobs<br>Restoration | 2011-12 (c)<br>Adjusted Net<br>GF Baseline | Governor's (d)<br>Recommended<br>Budget Reduction<br>to Net Base | Increase in (e)<br>KERS & KTRS<br>Contributions |                            | Other Fixed (f)<br>Cost Increases | Increase in (h)<br>M&O Costs for<br>New Facilities |
| University of Kentucky       | \$297,330,100   | \$5,869,100                           | \$303,199,200                              | (\$19,404,700)   | \$0   | (\$17,297,800)             | (\$6,721,300)                     | (\$43,423,800)                                     |
| University of Louisville     | 147,929,100   | 2,920,000                             | 150,849,100                                | (9,654,300)  | -   | (17,023,400)               | (6,976,200)                       | (33,653,900)                                       |
| Eastern Kentucky University  | 70,823,000  | 1,398,000                             | 72,221,000                                 | (4,622,100)  | (902,300)                                       | (3,327,500)                | (3,898,000)                       | (12,749,900)                                       |
| Kentucky State University    | 24,660,000  | 486,800                               | 25,146,800                                 | (1,609,400)  | (92,000)  | (825,600)                  | (770,300)                         | (3,297,300)  |
| Morehead State University    | 42,972,700  | 848,200                               | 43,820,900                                 | (2,804,500)  | (503,600)                                       | (3,577,800)                | (2,924,300)                       | (9,810,200)  |
| Murray State University      | 50,295,400  | 992,800                               | 51,288,200                                 | (3,282,400)  | (562,400)                                       | (2,588,400)                | (762,600)                         | (7,195,800)  |
| Northern Kentucky University | 49,068,900  | 968,600                               | 50,037,500                                 | (3,202,400)  | (1,200,000)                                     | (2,928,800)                | (4,393,900)                       | (11,725,100)                                       |
| Western Kentucky University  | 75,879,500  | 1,497,800                             | 77,377,300                                 | (4,952,100)  | (718,000)                                       | (3,520,000)                | (3,299,400)                       | (12,489,500)                                       |
| KCTCS                        | 200,744,200   | 3,962,500                             | 204,706,700                                | (13,101,200)   | (995,100)                                       | (6,032,500)                | (8,538,100)                       | (28,666,900)                                       |
| <b>System Totals</b>         | <b>\$959,702,900</b>  | <b>\$18,943,800</b>                   | <b>\$978,646,700</b>                       | <b>(\$62,633,100)</b>  | <b>(\$4,973,400)</b>                            | <b>(\$57,121,800)</b>      | <b>(\$38,284,100)</b>             | <b>(\$163,012,400)</b>                             |

(a) Total enacted 2011-12 General Fund appropriations, minus debt service and UoL hospital contract, minus \$18.9 million transferred from 2011-12 to 2010-11 to maintain Kentucky's eligibility for federal Ed Jobs program funding.  
 (b) In the 2012-14 Branch Budget Request Manual, the Office of the State Budget Director requires postsecondary education institutions to add the value of the 2011-12 General Fund reduction (i.e., the \$18.9 million Ed Jobs transfer) to the revised 2011-12 funding level to adjust the Baseline Budget in each fiscal year of the 2012-14 biennium.  
 (c) Sum of 2011-12 revised net General Fund and Ed Jobs restoration funds, but also includes a technical adjustment transferring \$160,000 from KCTCS to UK and EKV in amounts of \$80,000 each. The \$160,000 had been included in KCTCS's budget for a number of years to support a physical therapy program, but KCTCS had been transferring the funds to UK and EKV each year. This adjustment eliminates the need for KCTCS to make the yearly transfers.  
 (d) The Governor's Executive Budget contains a proposed 6.4% reduction in General Fund appropriations to Kentucky public postsecondary institutions.  
 (e) Increase in employer retirement contributions and health insurance premiums associated with KERS and KTRS rate increases.  
 (f) Estimated increase in selected fixed costs such as utilities, contractual obligations, workmen's compensation, and unemployment compensation.  
 (g) UK and UoL do not participate in KERS or KTRS. Anticipated increases in employer retirement contributions and health insurance premiums at UK and UoL are included in the 'Other Fixed Cost Increases' column.  
 (h) Increase in Maintenance and Operations (M&O) costs for new E&G facilities coming on-line in 2008-09, 2009-10, 2010-11, 2011-12, and 2012-13.

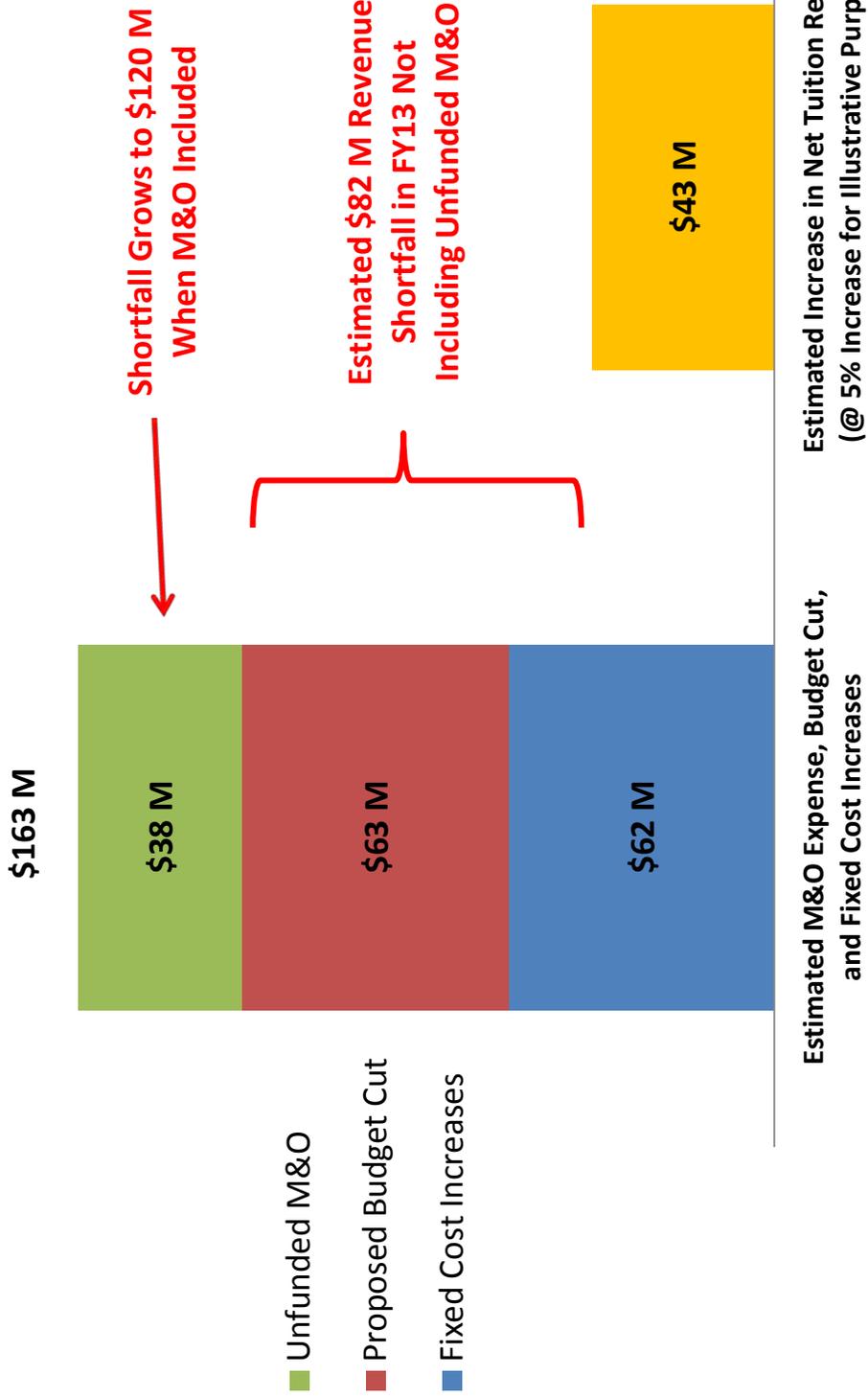
**Estimated Increase in Net Tuition and Mandatory Fee Revenue at Different Levels of Rate Increase (f)(g)**

| Institution                  | Uniform Increases Across Sectors |                               |                               |
|------------------------------|----------------------------------|-------------------------------|-------------------------------|
|                              | Tuition Revenue @ 1% Increase    | Tuition Revenue @ 3% Increase | Tuition Revenue @ 5% Increase |
| University of Kentucky       | \$2,242,300                      | \$6,726,900                   | \$11,211,500                  |
| University of Louisville     | 1,353,200                        | 4,059,600                     | 6,766,000                     |
| Eastern Kentucky University  | 647,100                          | 1,941,300                     | 3,235,500                     |
| Kentucky State University    | 191,000                          | 573,000                       | 955,000                       |
| Morehead State University    | 474,400                          | 1,423,200                     | 2,372,000                     |
| Murray State University      | 624,900                          | 1,874,700                     | 3,124,500                     |
| Northern Kentucky University | 800,000                          | 2,400,000                     | 4,000,000                     |
| Western Kentucky University  | 1,080,800                        | 3,242,400                     | 5,404,000                     |
| KCTCS                        | 1,100,000                        | 3,300,000                     | 5,500,000                     |
| <b>System Totals</b>         | <b>\$8,513,700</b>               | <b>\$25,541,100</b>           | <b>\$42,568,500</b>           |
|                              |                                  |                               | <b>\$59,595,900</b>           |

(f) Incremental increase in gross tuition and fee revenue, net of institutional scholarships and waivers. Assumes flat student enrollment growth and equivalent levels of rate increase across all categories of students (i.e., every academic level, residency, and full-time/part-time status) under each rate level scenario.  
 (g) At most institutions, a proportion of tuition and mandatory fee revenue is designated as restricted funds and cannot be used to cover fixed cost increases.

ATTACHMENT F-2

Kentucky Public Postsecondary Institutions  
Unfunded M&O, Proposed Budget Cut, and Fixed Cost Increases  
Versus Net Tuition Revenue (FY13)



ATTACHMENT G

**Kentucky Public Postsecondary Institution  
Undergraduate Tuition and Mandatory Fees <sup>(1)</sup>**

**Kentucky Residents**

| Institution                           | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 1 Year<br>Change | 2 Year<br>AAGR | 5 Year<br>AAGR |
|---------------------------------------|---------|---------|---------|---------|---------|---------|------------------|----------------|----------------|
| University of Kentucky <sup>(2)</sup> | 6,604   | 7,199   | 7,848   | 8,241   | 8,735   | 9,260   | 6.0%             | 6.0%           | 7.0%           |
| University of Louisville              | 6,252   | 6,870   | 7,564   | 7,944   | 8,424   | 9,126   | 8.3%             | 7.2%           | 7.9%           |
| Eastern Kentucky University           | 5,192   | 5,682   | 6,080   | 6,312   | 6,624   | 6,960   | 5.1%             | 5.0%           | 6.0%           |
| Kentucky State University             | 4,950   | 5,320   | 5,692   | 5,920   | 6,216   | 6,534   | 5.1%             | 5.1%           | 5.7%           |
| Morehead State University             | 4,870   | 5,280   | 5,670   | 6,038   | 6,492   | 6,942   | 6.9%             | 7.2%           | 7.3%           |
| Murray State University               | 4,998   | 5,418   | 5,748   | 5,976   | 6,264   | 6,576   | 5.0%             | 4.9%           | 5.6%           |
| Northern Kentucky University          | 5,448   | 5,952   | 6,528   | 6,792   | 7,128   | 7,584   | 6.4%             | 5.7%           | 6.8%           |
| Western Kentucky University           | 5,860   | 6,416   | 6,930   | 7,200   | 7,560   | 8,084   | 6.9%             | 6.0%           | 6.6%           |
| KCTCS                                 | 3,270   | 3,450   | 3,630   | 3,750   | 3,900   | 4,050   | 3.8%             | 3.9%           | 4.4%           |

**Nonresidents**

| Institution                           | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 1 Year<br>Change | 2 Year<br>AAGR | 5 Year<br>AAGR |
|---------------------------------------|---------|---------|---------|---------|---------|---------|------------------|----------------|----------------|
| University of Kentucky <sup>(2)</sup> | 14,063  | 14,995  | 15,990  | 16,790  | 17,796  | 18,865  | 6.0%             | 6.0%           | 6.1%           |
| University of Louisville              | 16,072  | 17,664  | 18,354  | 19,272  | 20,424  | 21,846  | 7.0%             | 6.5%           | 6.3%           |
| Eastern Kentucky University           | 14,538  | 15,382  | 16,612  | 17,280  | 18,144  | 19,056  | 5.0%             | 5.0%           | 5.6%           |
| Kentucky State University             | 11,500  | 12,490  | 13,490  | 14,208  | 14,920  | 15,678  | 5.1%             | 5.0%           | 6.4%           |
| Morehead State University             | 12,950  | 13,340  | 14,742  | 15,094  | 16,236  | 17,370  | 7.0%             | 7.3%           | 6.0%           |
| Murray State University               | 13,566  | 14,718  | 15,612  | 16,236  | 17,040  | 17,892  | 5.0%             | 5.0%           | 5.7%           |
| Northern Kentucky University          | 10,200  | 10,776  | 11,952  | 12,792  | 13,896  | 15,072  | 8.5%             | 8.5%           | 8.1%           |
| Western Kentucky University           | 14,400  | 15,470  | 17,088  | 17,784  | 18,840  | 20,016  | 6.2%             | 6.1%           | 6.8%           |
| KCTCS                                 | 9,810   | 10,350  | 11,700  | 12,750  | 13,350  | 13,950  | 4.5%             | 4.6%           | 7.3%           |

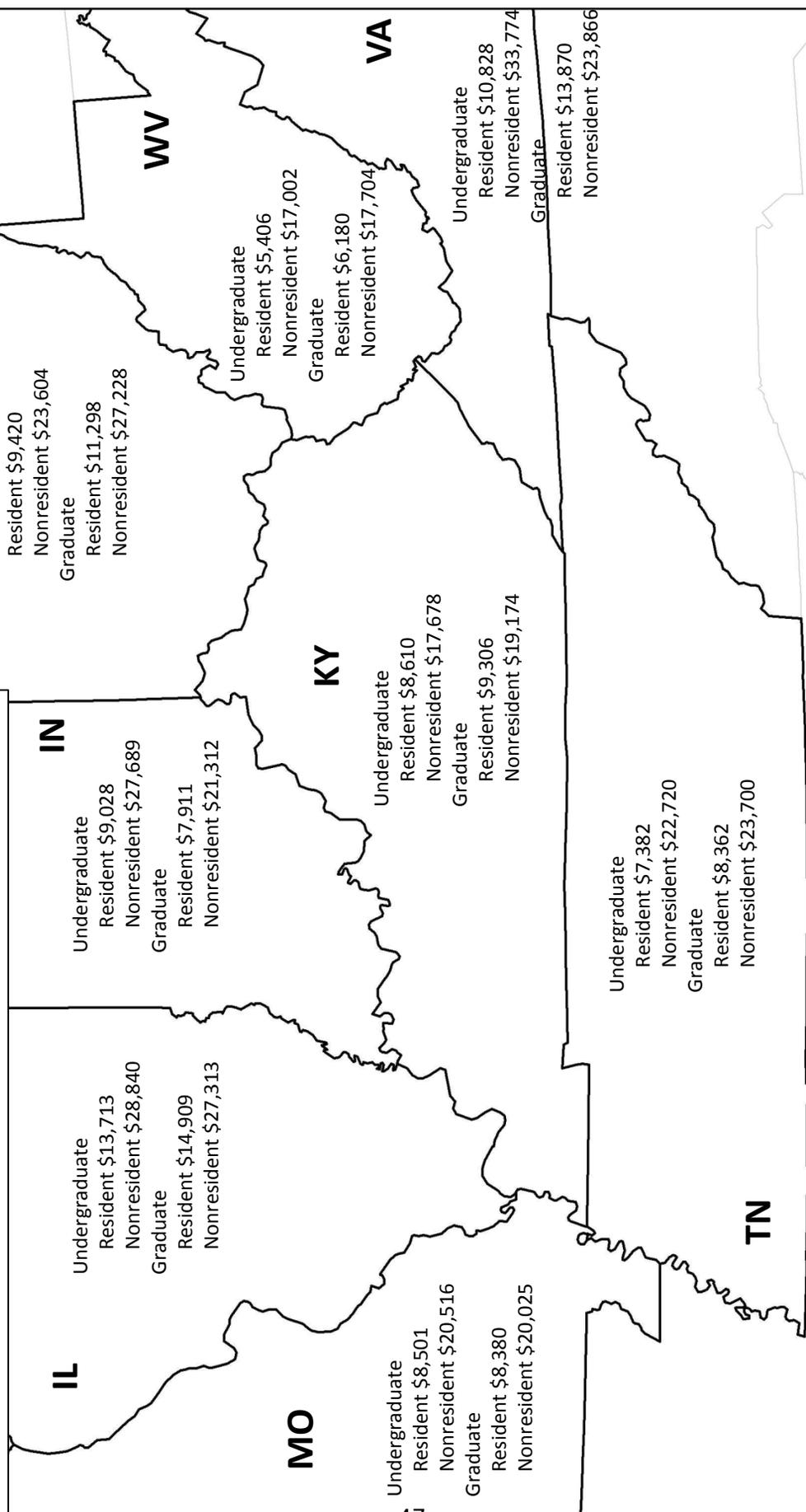
<sup>(1)</sup> For institutions that charge by credit hour, reported undergraduate rates are based on 30 credit hours per year.

<sup>(2)</sup> Undergraduate rates for UK are an average of upper and lower division rates.

AAGR -- Average Annual Growth Rate.

Source: CPE Comprehensive Database.

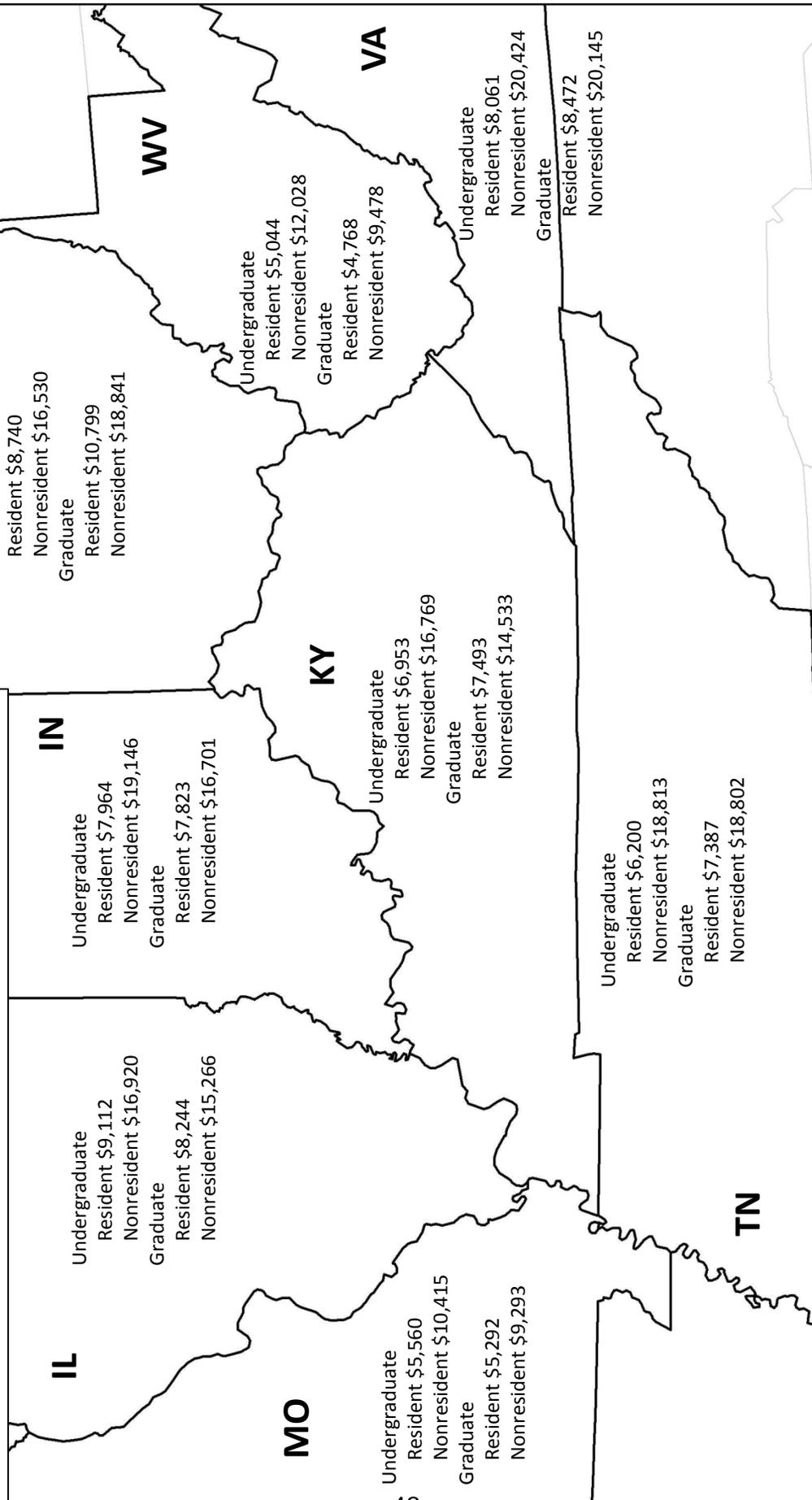
# Flagship Universities 2010-11 Tuition and Required Fees By State, Level, and Residency



KENTUCKY COUNCIL ON  
POSTSECONDARY EDUCATION

Source: Integrated Postsecondary Education Data System.

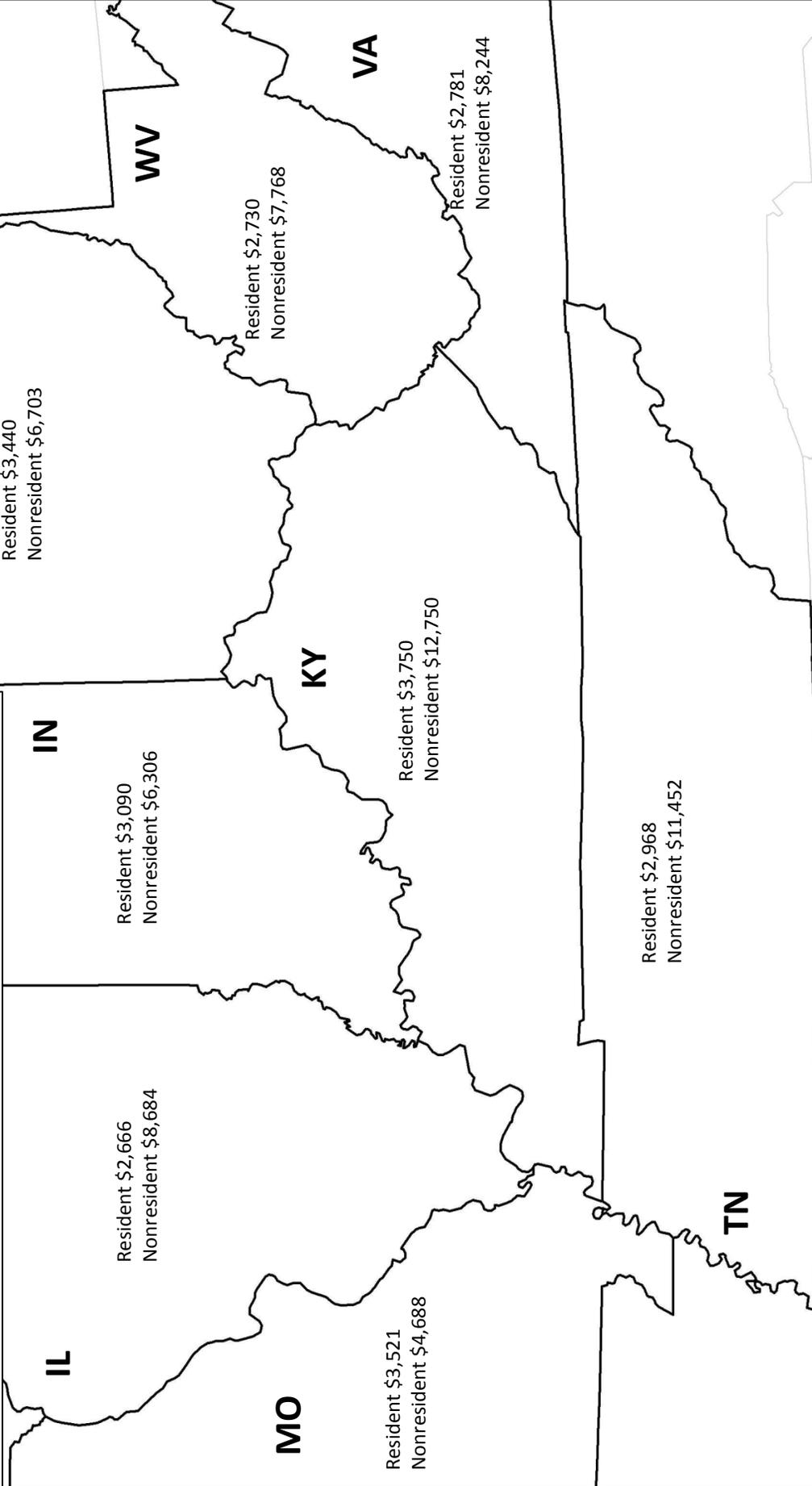
# Comprehensive Colleges and State Universities Average 2010-11 Tuition and Required Fees By State, Level, and Residency



KENTUCKY COUNCIL ON  
POSTSECONDARY EDUCATION

Source: Integrated Postsecondary Education Data System.

# Community Colleges Average 2009-10 Tuition and Required Fees By State, Level, and Residency



Note: For institutions that charge by credit hour, reported rates are based on 30 credit hours per year.  
Source: Washington Higher Education Coordinating Board, 2009-10 Tuition and Fee Report



ATTACHMENT I-1

Flagship Universities in Kentucky and Surrounding States  
Change in Resident Undergraduate Tuition and Required Fees  
Between Academic Years 1999-00 and 2010-11

| State         | 1999-00                       |                               | 2010-11                       |                               | Dollar<br>Change | Percent<br>Change | AAGR | 1999-00 |      | 2010-11 |  |
|---------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|------------------|-------------------|------|---------|------|---------|--|
|               | Resident UG<br>Tuition & Fees |                  |                   |      | Rank    | Rank |         |  |
| Illinois      | 4,770                         | 13,713                        | 8,943                         | 187.5%                        | 10.1%            | 1                 | 1    |         |      |         |  |
| Virginia      | 4,130                         | 10,828                        | 6,698                         | 162.2%                        | 9.2%             | 5                 | 2    |         |      |         |  |
| Ohio          | 4,137                         | 9,420                         | 5,283                         | 127.7%                        | 7.8%             | 4                 | 3    |         |      |         |  |
| Indiana       | 4,212                         | 9,028                         | 4,816                         | 114.3%                        | 7.2%             | 3                 | 4    |         |      |         |  |
| Kentucky      | 3,296                         | 8,610                         | 5,314                         | 161.2%                        | 9.1%             | 6                 | 5    |         |      |         |  |
| Missouri      | 4,581                         | 8,501                         | 3,920                         | 85.6%                         | 5.8%             | 2                 | 6    |         |      |         |  |
| Tennessee     | 3,104                         | 7,382                         | 4,278                         | 137.8%                        | 8.2%             | 7                 | 7    |         |      |         |  |
| West Virginia | 2,748                         | 5,406                         | 2,658                         | 96.7%                         | 6.3%             | 8                 | 8    |         |      |         |  |

Source: Integrated Postsecondary Education Data System.

ATTACHMENT I-2

Comprehensive Colleges and State Universities in Kentucky and Surrounding States  
 Change in Average Resident Undergraduate Tuition and Required Fees  
 Between Academic Years 1999-00 and 2010-11

| State         | 1999-00                       |                               | 2010-11                       |        | Percent<br>Change | Dollar<br>Change | AAGR | 1999-00 | 2010-11 |
|---------------|-------------------------------|-------------------------------|-------------------------------|--------|-------------------|------------------|------|---------|---------|
|               | Resident UG<br>Tuition & Fees | Resident UG<br>Tuition & Fees | Resident UG<br>Tuition & Fees | Rank   |                   |                  |      | Rank    |         |
| Illinois      | 3,674                         | 9,112                         | 5,438                         | 148.0% | 8.6%              | 2                | 1    |         |         |
| Ohio          | 4,330                         | 8,740                         | 4,410                         | 101.8% | 6.6%              | 1                | 2    |         |         |
| Virginia      | 3,631                         | 8,061                         | 4,430                         | 122.0% | 7.5%              | 3                | 3    |         |         |
| Indiana       | 3,556                         | 7,964                         | 4,408                         | 124.0% | 7.6%              | 4                | 4    |         |         |
| Kentucky      | 2,509                         | 6,953                         | 4,444                         | 177.1% | 9.7%              | 7                | 5    |         |         |
| Tennessee     | 2,626                         | 6,200                         | 3,574                         | 136.1% | 8.1%              | 6                | 6    |         |         |
| Missouri      | 2,866                         | 5,560                         | 2,694                         | 94.0%  | 6.2%              | 5                | 7    |         |         |
| West Virginia | 2,505                         | 5,044                         | 2,539                         | 101.4% | 6.6%              | 8                | 8    |         |         |

Source: Integrated Postsecondary Education Data System.

ATTACHMENT I-3

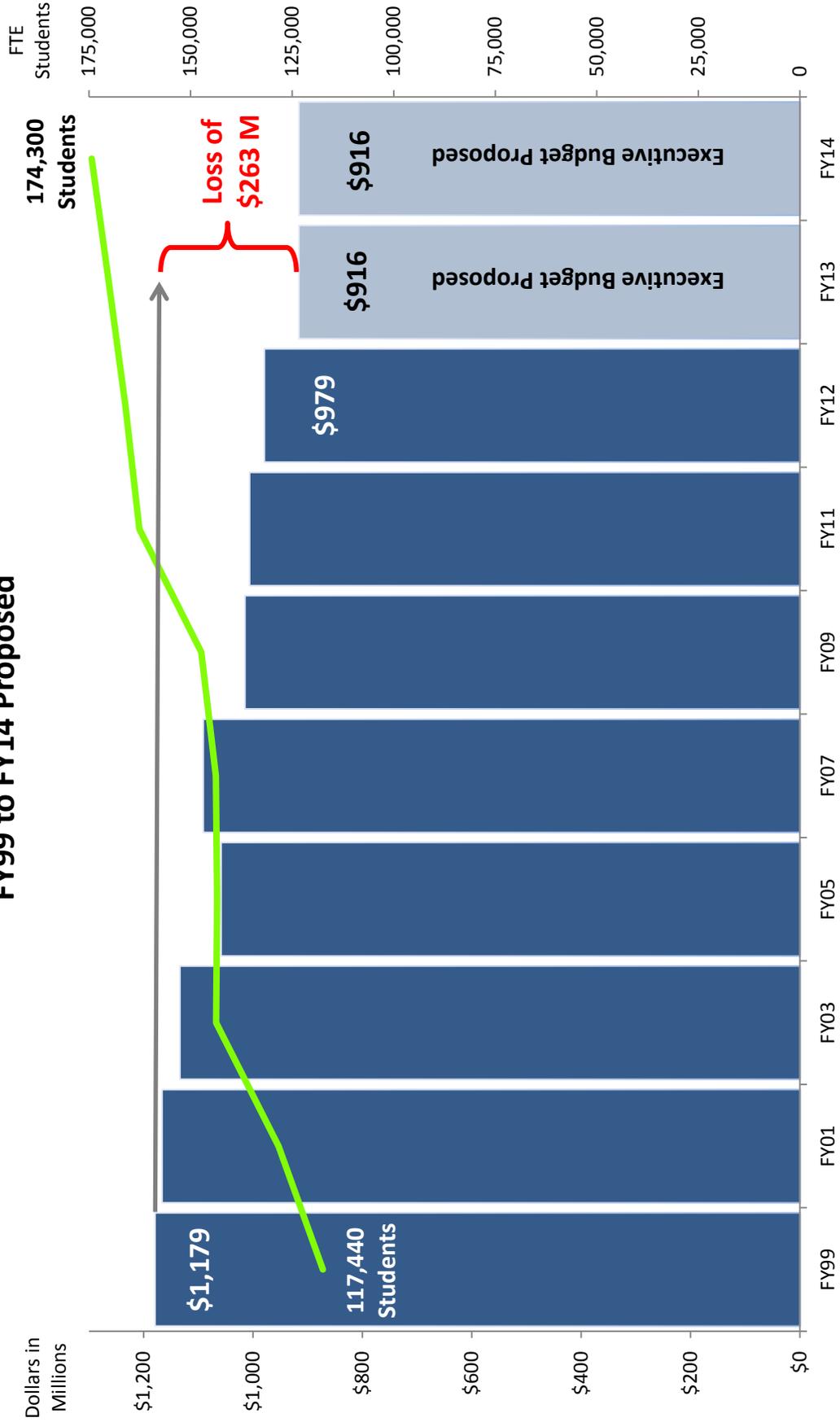
Community Colleges in Kentucky and Surrounding States  
 Change in Average Resident Tuition and Required Fees  
 Between Academic Years 1999-00 and 2009-10

| State         | 1999-00        |                            | 2009-10        |                            | Dollar<br>Change | Percent<br>Change | AAGR | 1999-00 | 2009-10 |
|---------------|----------------|----------------------------|----------------|----------------------------|------------------|-------------------|------|---------|---------|
|               | Tuition & Fees | Resident<br>Tuition & Fees | Tuition & Fees | Resident<br>Tuition & Fees |                  |                   |      | Rank    | Rank    |
| Kentucky      | 1,180          | 3,750                      | 2,570          | 3,750                      | 217.8%           | 12.3%             | 7    | 1       |         |
| Missouri      | 1,404          | 3,521                      | 2,117          | 3,521                      | 150.8%           | 9.6%              | 5    | 2       |         |
| Ohio          | 2,045          | 3,440                      | 1,395          | 3,440                      | 68.2%            | 5.3%              | 2    | 3       |         |
| Indiana       | 2,540          | 3,090                      | 550            | 3,090                      | 21.7%            | 2.0%              | 1    | 4       |         |
| Tennessee     | 1,308          | 2,968                      | 1,660          | 2,968                      | 126.9%           | 8.5%              | 6    | 5       |         |
| Virginia      | 1,159          | 2,781                      | 1,622          | 2,781                      | 139.9%           | 9.1%              | 8    | 6       |         |
| West Virginia | 1,610          | 2,730                      | 1,120          | 2,730                      | 69.6%            | 5.4%              | 3    | 7       |         |
| Illinois      | 1,426          | 2,666                      | 1,240          | 2,666                      | 87.0%            | 6.5%              | 4    | 8       |         |

Source: Washington Higher Education Coordinating Board.

**ATTACHMENT J-1**

**Kentucky Public Postsecondary System  
Inflation Adjusted Net General Fund Appropriations  
FY99 to FY14 Proposed**



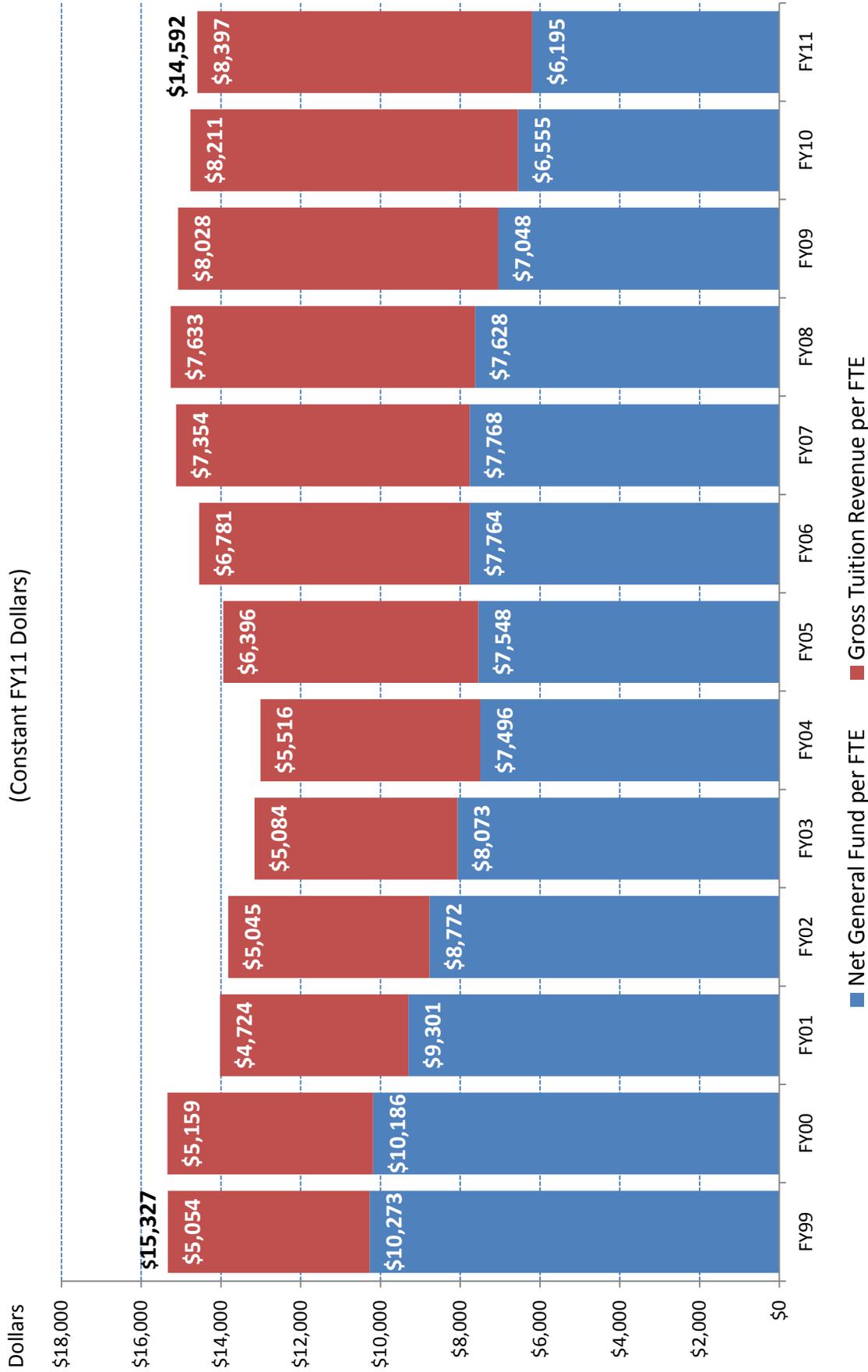
ATTACHMENT J-2

Inflation Adjusted Net General Fund Appropriations per Full-Time Equivalent Student  
by Kentucky Public Postsecondary Sector  
Fiscal Years 1999 - 2011



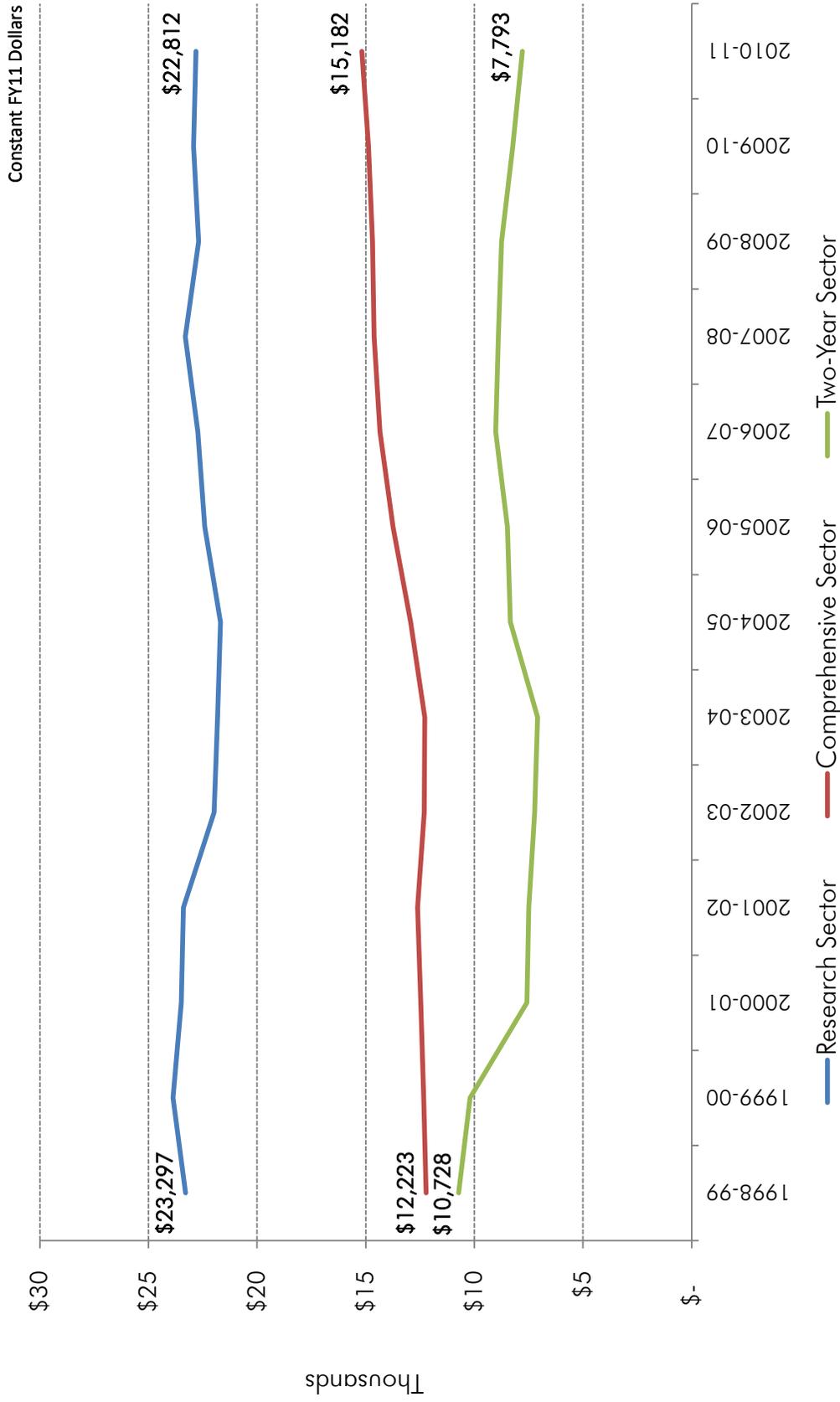
Sources: Kentucky Budget of the Commonwealth; CPE, Comprehensive Database.

### Kentucky Public Postsecondary System Net General Fund Appropriations and Gross Tuition Revenue per FTE Student Fiscal Years 1999 - 2011 (Constant FY11 Dollars)



ATTACHMENT J-4

Inflation Adjusted Total Public Funds per Full-Time Equivalent Student  
by Kentucky Public Postsecondary Sector  
Fiscal Years 1999 - 2011



Sources: Kentucky Budget of the Commonwealth, CPE, Comprehensive Database.

ATTACHMENT K-1

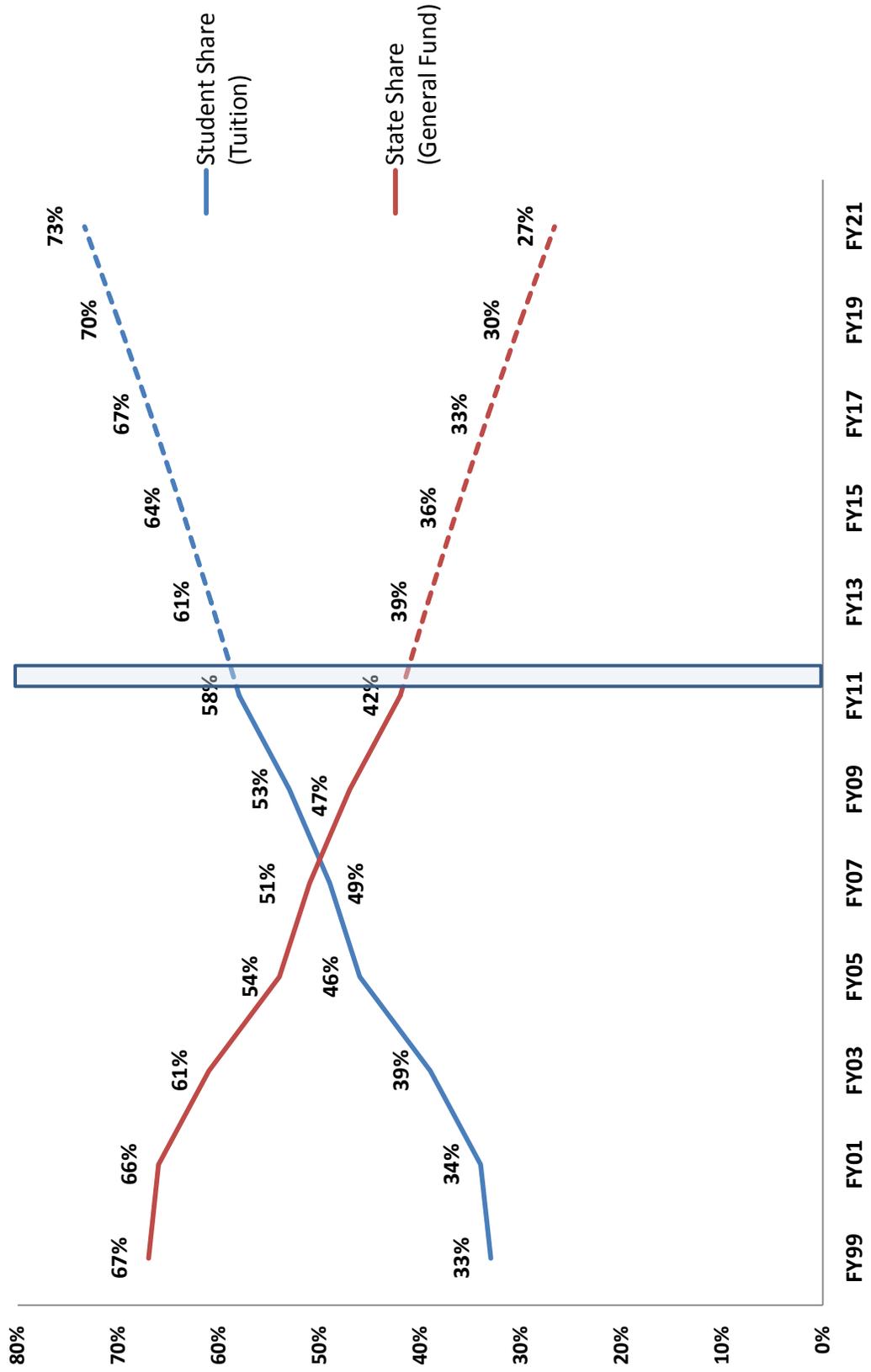
Gross Tuition and Fee Revenue Share of Total Public Funds  
by Kentucky Public Postsecondary Institution and Sector  
Fiscal Years 1999-2011

| Institution/Sector           | 1998-99 | 2000-01 | 2002-03 | 2004-05 | 2006-07 | 2008-09 | 2010-11 |
|------------------------------|---------|---------|---------|---------|---------|---------|---------|
| University of Kentucky       | 27%     | 28%     | 31%     | 39%     | 42%     | 46%     | 49%     |
| University of Louisville     | 34%     | 35%     | 41%     | 47%     | 51%     | 56%     | 60%     |
| Eastern Kentucky University  | 38%     | 37%     | 41%     | 49%     | 54%     | 59%     | 63%     |
| Kentucky State University    | 26%     | 28%     | 35%     | 33%     | 37%     | 41%     | 47%     |
| Morehead State University    | 38%     | 38%     | 43%     | 48%     | 50%     | 55%     | 58%     |
| Murray State University      | 37%     | 39%     | 44%     | 51%     | 56%     | 60%     | 62%     |
| Northern Kentucky University | 55%     | 55%     | 58%     | 64%     | 63%     | 68%     | 71%     |
| Western Kentucky University  | 40%     | 40%     | 46%     | 56%     | 60%     | 64%     | 67%     |
| KCTCS                        | 28%     | 28%     | 35%     | 42%     | 42%     | 46%     | 54%     |
| Research Sector              | 29%     | 31%     | 35%     | 42%     | 45%     | 50%     | 54%     |
| Comprehensive Sector         | 40%     | 41%     | 46%     | 53%     | 56%     | 61%     | 64%     |
| Two-Year College Sector      | 28%     | 28%     | 35%     | 42%     | 42%     | 46%     | 54%     |
| Postsecondary System         | 33%     | 34%     | 39%     | 46%     | 49%     | 53%     | 58%     |

Sources: Kentucky Budget of the Commonwealth; CPE, Comprehensive database.

ATTACHMENT K-2

## Kentucky Public Postsecondary System State (General Fund) vs. Student Share (Tuition Revenue)

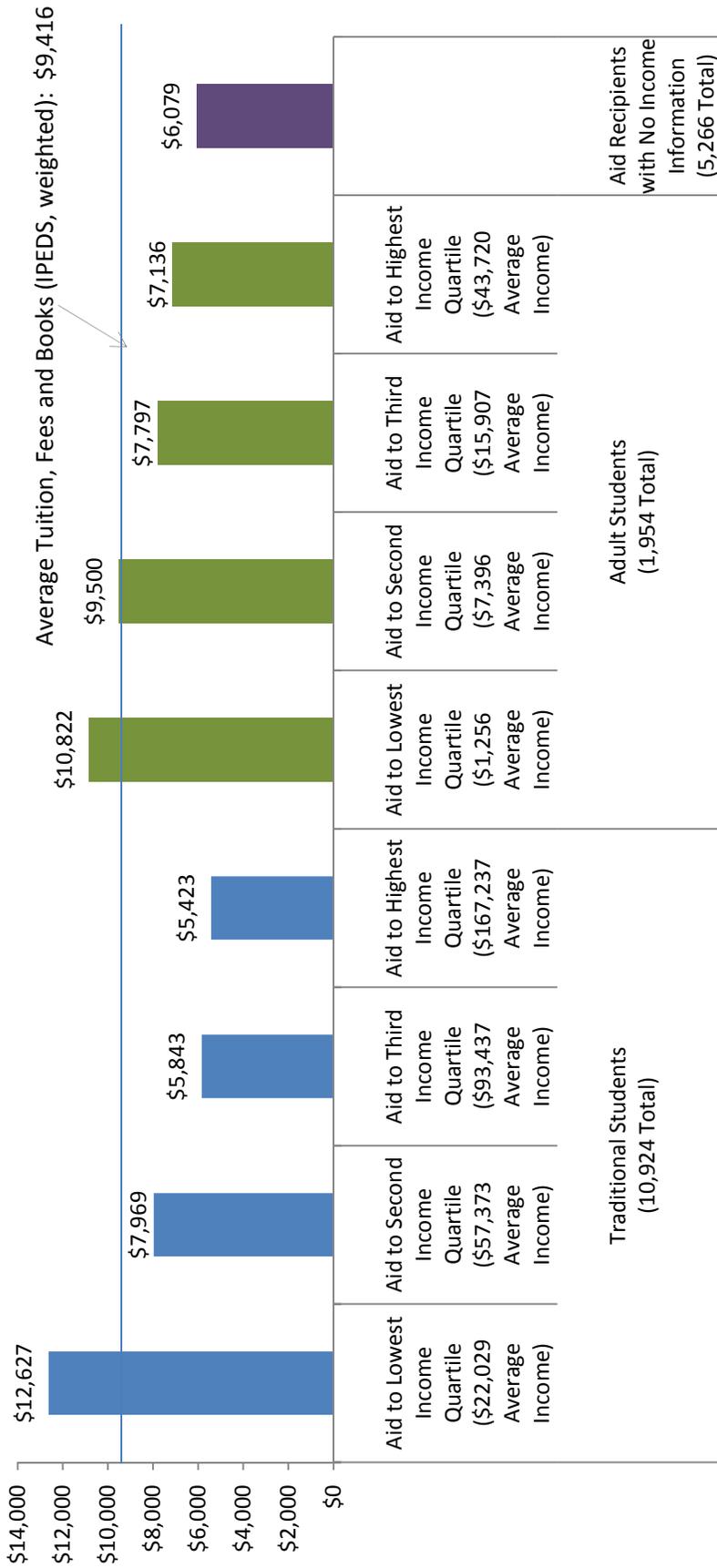


# UK and UofL: Need and Merit-Based Aid by Student Type and Family Income

Full-Time, In-State, Undergraduates at Kentucky's Public Research Universities who Received Grants or Scholarships in 2010-11

### Highlights

- \* Grants and scholarships covered the full cost of tuition, fees and books for most students in the lowest income categories.
- \* Even students in the highest income categories received significant support through KEES and institutional aid.
- \* Seventy-four percent of full-time, in-state undergraduate students at research universities received grants in 2010-11 (fall 2010 enrollment).
- \* Grants in excess of tuition were used to pay for room and board, which averaged an additional \$8,319 (IPEDS, weighted).



| Unmet Tuition, Fee and Book Costs | Traditional Students (10,924 Total) | Adult Students (1,954 Total) | Aid Recipients with No Income Information (5,266 Total) |
|-----------------------------------|-------------------------------------|------------------------------|---|
| -\$3,211                          | \$3,573                             | -\$1,406                     | \$3,337   |
| \$1,447                           | \$3,993                             | -\$84                        | \$2,280   |

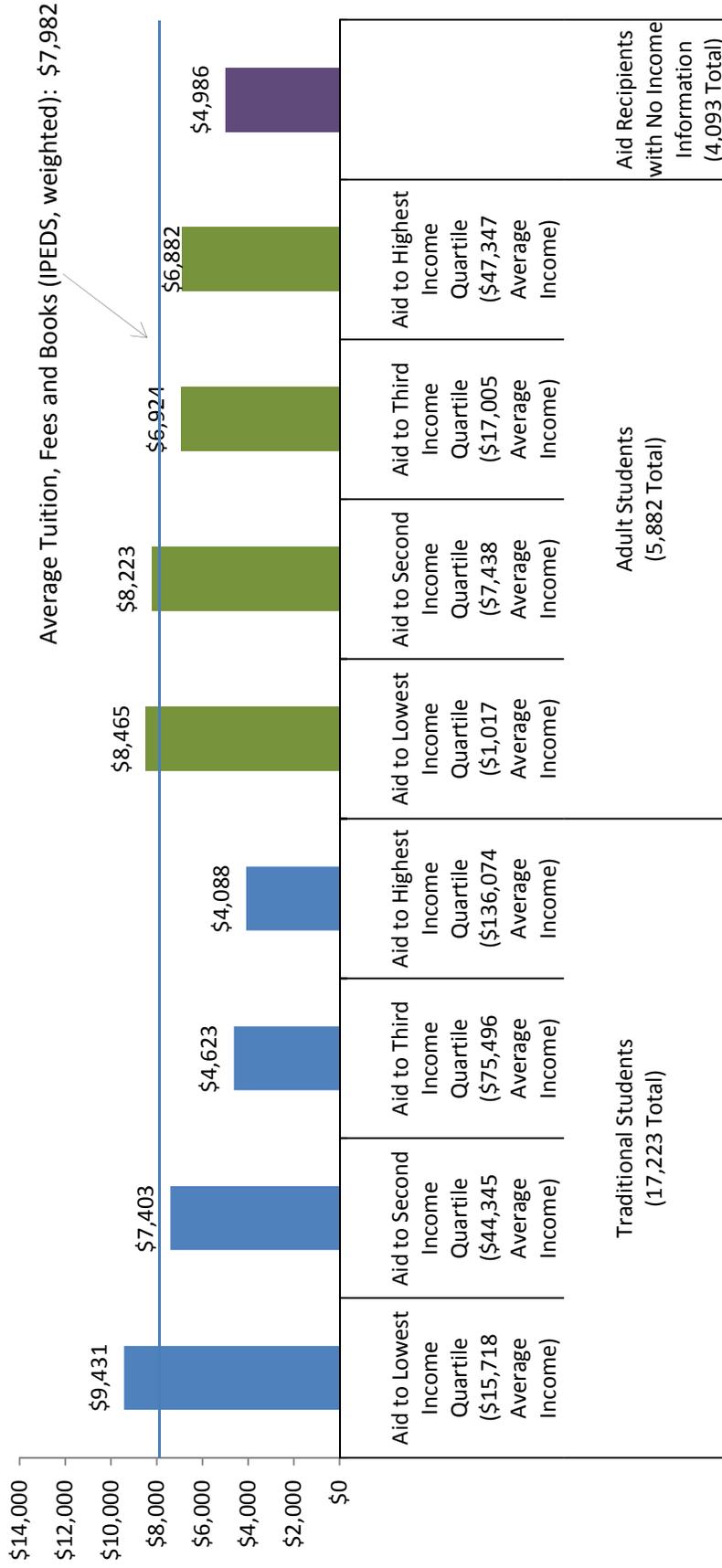
Notes: Aid includes all need and merit-based grants and scholarships from federal, state, institutional and other sources. Income quartiles rank all students in the sector within their dependency category by family income, and divide them into four equal-sized groups based on their income rank. Traditional students were under 25 years old and were claimed as dependents on their parents' taxes, while adult students filed taxes independently. Students without income information did not file the federal financial aid application, but are still eligible for KEES, institutional, and other grants.

# Comprehensive Universities: Need and Merit-Based Aid by Student Type and Family Income

Full-Time, In-State, Undergraduates at Kentucky's Public Comprehensive Universities who Received Grants or Scholarships in 2010-11

## Highlights

- \* Grants and scholarships covered the full cost of tuition, fees and books for most students in the lowest income categories.
- \* Even students in the high .
- \* Seventy percent of full-time, in-state undergraduate students at comprehensive universities received grants in 2010-11 (fall 2010 enrollment).
- \* Grants in excess of tuition were used to pay for room and board, which averaged an additional \$6,773 (IPEDS, weighted).



| Unmet Tuition, Fee and Book Costs | Traditional Students (17,223 Total) | Adult Students (5,882 Total) | Aid Recipients with No Income Information (4,093 Total) |
|-----------------------------------|-------------------------------------|------------------------------|---|
| -\$1,449                          | \$3,359                             | -\$483                       | \$2,996   |
| \$579                             | \$3,894                             | -\$241                       | \$1,100   |

Notes: Aid includes all need and merit-based grants and scholarships from federal, state, institutional and other sources. Income quartiles rank all students in the sector within their dependency category by family income, and divides them into four equal-sized groups based on their income rank. Traditional students were under 25 years old and were claimed as dependents on their parents' taxes, while adult students filed taxes independently. Students without income information did not file the federal financial aid application, but are still eligible for KEEES, institutional, and other grants.



**Kentucky Public Postsecondary Institution  
Student Headcount Enrollment (Fall Semesters 2005 through 2010)**

**ATTACHMENT M-1**

**Undergraduate**

| Institution                  | 2005           | 2006           | 2007           | 2008           | 2009           | 2010           | 1 Year<br>Change | 2 Year<br>AAGR | 5 Year<br>AAGR |
|------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|----------------|----------------|
| University of Kentucky       | 18,732         | 19,328         | 18,830         | 18,988         | 19,217         | 19,988         | 4.0%             | 2.6%           | 1.3%           |
| University of Louisville     | 15,057         | 15,103         | 15,125         | 15,495         | 15,619         | 15,818         | 1.3%             | 1.0%           | 1.0%           |
| <b>Sector Total</b>          | <b>33,789</b>  | <b>34,431</b>  | <b>33,955</b>  | <b>34,483</b>  | <b>34,836</b>  | <b>35,806</b>  | <b>2.8%</b>      | <b>1.9%</b>    | <b>1.2%</b>    |
| Eastern Kentucky University  | 13,942         | 13,623         | 13,659         | 13,839         | 13,991         | 14,396         | 2.9%             | 2.0%           | 0.6%           |
| Kentucky State University    | 2,228          | 2,341          | 2,510          | 2,497          | 2,638          | 2,606          | -1.2%            | 2.2%           | 3.2%           |
| Morehead State University    | 7,549          | 7,515          | 7,625          | 7,487          | 7,550          | 7,399          | -2.0%            | -0.6%          | -0.4%          |
| Murray State University      | 8,585          | 8,607          | 8,361          | 8,179          | 8,249          | 8,429          | 2.2%             | 1.5%           | -0.4%          |
| Northern Kentucky University | 12,107         | 12,668         | 12,725         | 13,030         | 13,206         | 13,517         | 2.4%             | 1.9%           | 2.2%           |
| Western Kentucky University  | 15,978         | 16,067         | 16,508         | 16,966         | 17,645         | 17,827         | 1.0%             | 2.5%           | 2.2%           |
| <b>Sector Total</b>          | <b>60,389</b>  | <b>60,821</b>  | <b>61,388</b>  | <b>61,998</b>  | <b>63,279</b>  | <b>64,174</b>  | <b>1.4%</b>      | <b>1.7%</b>    | <b>1.2%</b>    |
| KCTCS                        | 84,931         | 86,475         | 92,828         | 89,942         | 100,348        | 106,664        | 6.3%             | 8.9%           | 4.7%           |
| <b>System Total</b>          | <b>179,109</b> | <b>181,727</b> | <b>188,171</b> | <b>186,423</b> | <b>198,463</b> | <b>206,644</b> | <b>4.1%</b>      | <b>5.3%</b>    | <b>2.9%</b>    |

**Graduate**

| Institution                  | 2005          | 2006          | 2007          | 2008          | 2009          | 2010          | 1 Year<br>Change | 2 Year<br>AAGR | 5 Year<br>AAGR |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|------------------|----------------|----------------|
| University of Kentucky       | 6,970         | 7,090         | 7,086         | 7,112         | 7,112         | 7,181         | 1.0%             | 0.5%           | 0.6%           |
| University of Louisville     | 5,996         | 6,005         | 5,841         | 5,557         | 5,704         | 5,757         | 0.9%             | 1.8%           | -0.8%          |
| <b>Sector Total</b>          | <b>12,966</b> | <b>13,095</b> | <b>12,927</b> | <b>12,669</b> | <b>12,816</b> | <b>12,938</b> | <b>1.0%</b>      | <b>1.1%</b>    | <b>0.0%</b>    |
| Eastern Kentucky University  | 2,277         | 2,140         | 2,180         | 2,192         | 2,277         | 2,171         | -4.7%            | -0.5%          | -0.9%          |
| Kentucky State University    | 158           | 159           | 186           | 162           | 196           | 245           | 25.0%            | 23.0%          | 9.2%           |
| Morehead State University    | 1,513         | 1,510         | 1,441         | 1,494         | 1,496         | 1,443         | -3.5%            | -1.7%          | -0.9%          |
| Murray State University      | 1,689         | 1,697         | 1,795         | 1,843         | 1,829         | 1,987         | 8.6%             | 3.8%           | 3.3%           |
| Northern Kentucky University | 1,918         | 1,970         | 2,082         | 2,079         | 2,199         | 2,231         | 1.5%             | 3.6%           | 3.1%           |
| Western Kentucky University  | 2,667         | 2,597         | 2,757         | 2,795         | 3,067         | 3,076         | 0.3%             | 4.9%           | 2.9%           |
| <b>Sector Total</b>          | <b>10,222</b> | <b>10,073</b> | <b>10,441</b> | <b>10,565</b> | <b>11,064</b> | <b>11,153</b> | <b>0.8%</b>      | <b>2.7%</b>    | <b>1.8%</b>    |
| <b>System Total</b>          | <b>23,188</b> | <b>23,168</b> | <b>23,368</b> | <b>23,234</b> | <b>23,880</b> | <b>24,091</b> | <b>0.9%</b>      | <b>1.8%</b>    | <b>0.8%</b>    |

Source: CPE Comprehensive Database.

Note: Data does not include house staff and post-doctoral students at UK and UofL.

AAGR -- Average Annual Growth Rate.

**Kentucky Public Postsecondary Institution  
Student Headcount Enrollment (Fall Semesters 2005 through 2010)**

**ATTACHMENT M-2**

**Full-Time**

| Institution                  | 2005    | 2006    | 2007    | 2008    | 2009    | 2010    | 1 Year<br>Change | 2 Year<br>AAGR | 5 Year<br>AAGR |
|------------------------------|---------|---------|---------|---------|---------|---------|------------------|----------------|----------------|
| University of Kentucky       | 21,485  | 21,745  | 22,187  | 22,876  | 23,273  | 24,037  | 3.3%             | 2.5%           | 2.3%           |
| University of Louisville     | 14,956  | 15,071  | 15,338  | 15,318  | 15,669  | 16,103  | 2.8%             | 2.5%           | 1.5%           |
| Sector Total                 | 36,441  | 36,816  | 37,525  | 38,194  | 38,942  | 40,140  | 3.1%             | 2.5%           | 2.0%           |
| Eastern Kentucky University  | 11,506  | 11,438  | 11,635  | 11,761  | 12,354  | 12,560  | 1.7%             | 3.3%           | 1.8%           |
| Kentucky State University    | 1,670   | 1,823   | 1,964   | 1,984   | 2,204   | 2,256   | 2.4%             | 6.6%           | 6.2%           |
| Morehead State University    | 6,247   | 6,120   | 6,119   | 5,919   | 5,875   | 5,733   | -2.4%            | -1.6%          | -1.7%          |
| Murray State University      | 7,693   | 7,597   | 7,575   | 7,493   | 7,472   | 7,531   | 0.8%             | 0.3%           | -0.4%          |
| Northern Kentucky University | 9,613   | 9,726   | 9,850   | 10,060  | 10,554  | 10,712  | 1.5%             | 3.2%           | 2.2%           |
| Western Kentucky University  | 13,868  | 13,903  | 14,010  | 14,329  | 14,936  | 15,049  | 0.8%             | 2.5%           | 1.6%           |
| Sector Total                 | 50,597  | 50,607  | 51,153  | 51,546  | 53,395  | 53,841  | 0.8%             | 2.2%           | 1.3%           |
| KCTCS                        | 33,857  | 32,860  | 33,386  | 34,897  | 41,390  | 44,712  | 8.0%             | 13.2%          | 5.7%           |
| System Total                 | 120,895 | 120,283 | 122,064 | 124,637 | 133,727 | 138,693 | 3.7%             | 5.5%           | 2.8%           |

**Part-Time**

| Institution                  | 2005   | 2006   | 2007   | 2008   | 2009   | 2010   | 1 Year<br>Change | 2 Year<br>AAGR | 5 Year<br>AAGR |
|------------------------------|--------|--------|--------|--------|--------|--------|------------------|----------------|----------------|
| University of Kentucky       | 4,217  | 4,673  | 3,729  | 3,224  | 3,056  | 3,132  | 2.5%             | -1.4%          | -5.8%          |
| University of Louisville     | 6,097  | 6,037  | 5,628  | 5,734  | 5,654  | 5,472  | -3.2%            | -2.3%          | -2.1%          |
| Sector Total                 | 10,314 | 10,710 | 9,357  | 8,958  | 8,710  | 8,604  | -1.2%            | -2.0%          | -3.6%          |
| Eastern Kentucky University  | 4,713  | 4,325  | 4,204  | 4,270  | 3,914  | 4,007  | 2.4%             | -3.1%          | -3.2%          |
| Kentucky State University    | 716    | 677    | 732    | 675    | 630    | 595    | -5.6%            | -6.1%          | -3.6%          |
| Morehead State University    | 2,815  | 2,905  | 2,947  | 3,062  | 3,171  | 3,109  | -2.0%            | 0.8%           | 2.0%           |
| Murray State University      | 2,581  | 2,707  | 2,581  | 2,529  | 2,606  | 2,885  | 10.7%            | 6.8%           | 2.3%           |
| Northern Kentucky University | 4,412  | 4,912  | 4,957  | 5,049  | 4,851  | 5,036  | 3.8%             | -0.1%          | 2.7%           |
| Western Kentucky University  | 4,777  | 4,761  | 5,255  | 5,432  | 5,776  | 5,854  | 1.4%             | 3.8%           | 4.2%           |
| Sector Total                 | 20,014 | 20,287 | 20,676 | 21,017 | 20,948 | 21,486 | 2.6%             | 1.1%           | 1.4%           |
| KCTCS                        | 51,074 | 53,615 | 59,442 | 55,045 | 58,958 | 61,952 | 5.1%             | 6.1%           | 3.9%           |
| System Total                 | 81,402 | 84,612 | 89,475 | 85,020 | 88,616 | 92,042 | 3.9%             | 4.0%           | 2.5%           |

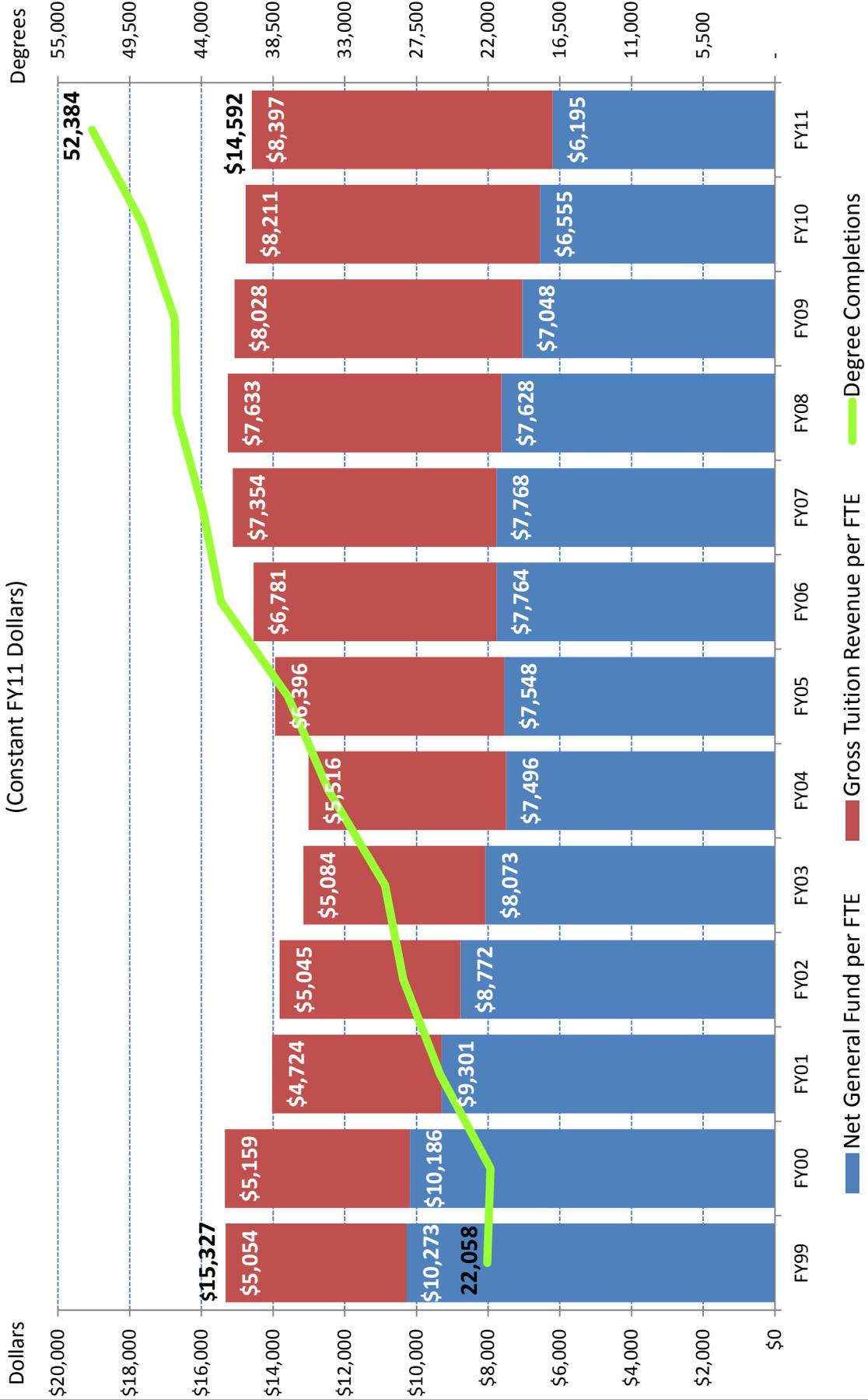
Source: CPE Comprehensive Database.

Note: Data does not include house staff and post-doctoral students at UK and UofL.

AAGR -- Average Annual Growth Rate.

**Kentucky Public Postsecondary System**  
**Net General Fund Appropriations and Gross Tuition Revenue per FTE Student**  
**Fiscal Years 1999 - 2011**  
 (Constant FY11 Dollars)

ATTACHMENT N



**Council on Postsecondary Education  
February 10, 2012**

## **Special Use Fee Implementation Update**

The Council adopted a Special Use Fee Exception Policy at its April 28, 2011, meeting. The policy exempts certain kinds of student endorsed fees from consideration when assessing an institution's compliance with Council approved tuition and fee rate ceilings. For a fee to be student endorsed, it must be shown that fee details have been broadly discussed, voted on, and requested by students.

Revenue from special use fees may be used to pay debt service and O&M expenses on new facilities or capital renewal and replacement costs on existing facilities and equipment that support student activities and services, such as student unions, fitness centers, recreation complexes, health clinics, or tutoring centers.

At its June 10, 2011, meeting, the Council approved special use fee exemption requests from Morehead State University, Northern Kentucky University, the University of Louisville, and Western Kentucky University. At the November 10 meeting, Council members requested a status report regarding the implementation of special use fees on these campuses.

### **Status Report**

In December 2011, CPE staff contacted the chief budget officer at each institution that received approval for a special use fee exemption and asked that they respond to the following list of questions pertaining to special use fee implementation at their campus.

- What are some major milestones and anticipated completion dates for the project financed with Special Use Fee revenue?
- Where is your campus in the process (i.e., where do you fall along the timeline)?
  - Has your institution implemented the Special Use Fee?
  - To date, how much revenue has been raised by the fee?
  - What is the status of the building project?
  - Have bonds been issued to finance the project?
  - If so, what was the date of issuance and amount?
- Are you in the planning or construction phase of the building project (i.e., Phase A - planning, Phase B - design, or bid/construction phase)?
- What is the next major milestone for the project and when will it occur?

- What, if any, feedback has been received from students regarding implementation of the Special Use Fee?
- What, if any, feedback has been received from faculty, staff, and administrators?
- In one page or less, please describe your campus's experience in implementing a Special Use Fee.
  - What have been some of the positive aspects of your experience?
  - Have there been any negatives?
  - What lessons have you learned that might help other institutions who are contemplating a Special Use Fee?

Attachments A, B, C, and D contain campus responses to these questions. The table below summarizes responses to some of the key questions posed by CPE staff.

| <u>Campus</u> | <u>Approved<br/>Fee Amount</u> | <u>Fee<br/>Implemented</u> | <u>Revenue<br/>Raised</u> | <u>Bonds<br/>Issued</u> | <u>Building<br/>Phase</u> |
|---------------|--------------------------------|----------------------------|---------------------------|-------------------------|---------------------------|
| MoSU          | \$5 /credit hour               | Yes /Fall 2011             | \$491,180                 | Yes /\$24 M             | Completed                 |
| NKU           | \$4 /credit hour               | Yes /Fall 2011             | \$600,000                 | No                      | A - Planning              |
| UofL          | \$98 /semester                 | Yes /Fall 2011             | \$1,015,044               | Yes /\$34 M             | See Att. A                |
| WKU           | \$70 /semester                 | Yes /Fall 2011             | \$1,099,322               | No                      | B - Design                |

An important aspect of the Special Use Fee Policy is that requests to implement such fees must be student initiated, supported, and approved by majority vote. As can be seen in the attached institutional responses, students at every campus continue to fully support their respective special use fees.

## Morehead State University Special Use Fee Implementation Fall 2011

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### **Special Use Fee Authorization**

The Morehead State University Board of Regents approved the 2011-12 Operating Budget and Fee Schedule on June 9, 2011. The tuition rate approved by the Board in the Fee Schedule included a \$5 per credit hour special use fee increase beginning fall semester 2011. On June 10, 2011, the Council on Postsecondary Education approved a Special Use Fee Exception for Morehead State University to assess the \$5 per credit hour student-endorsed fee to exceed the 2011-12 comprehensive university tuition and fee rate ceiling by 1.9 percentage points.

The increase of \$5 per credit hour is in addition to an existing Student Recreation Fee already paid by MoSU students. The increase implemented in fall 2011 allows the University to achieve the per credit hour equivalent of the SGA endorsed \$100 per semester fee dedicated to pay construction costs of the new Student Recreation Center.

### **Building Project**

Agency bonds were issued in July 2009 for \$24 million to construct a 101,054 square-foot student recreation facility. Construction was completed in August 2011. The annual debt service payment for the facility is \$1.76 million for a period of 20 years.

The facility features three basketball courts, two racquetball courts, multiple fitness areas with free weights and a variety of exercise equipment and cardiovascular machines. The facility also includes a competition-size swimming pool with zip line and vortex. An outdoor adventure/challenge course was recently completed and is available for students in the spring 2012 semester. In addition to offering state-of-the-art recreational and wellness equipment and programs, the facility was designed to be a high performance building in terms of energy efficiency and environmental health. The building was constructed to achieve LEED Silver certification awarded by the U.S. Green Building Council.

### **Revenue**

To date, \$491,180 in gross revenue (or \$354,485 net revenue after financial aid discount) has been generated from the \$5 per credit hour special use fee implemented in the fall 2011 semester. Projected 2011-12 annual revenue from the special use fee exception is \$1,016,276 (or \$733,446 net revenue).

### **Student Feedback**

There has been an overwhelmingly positive response from students with the opening of the student recreation center in August. The number of student visits during the fall 2011 semester totaled 53,485. Over the course of the semester, 119 students were hired in various areas of the recreation center and were trained on facility policies, use of the management software system, and emergency procedures and CPR/First Aid.



Northern Kentucky University  
 Special Use Fee Implementation  
 Fall 2011

1. From fee implementation to project completion, what are some major milestones and anticipated completion dates for the project financed with Special Use Fee revenue?  
 Anticipate programming and design to continue through 2012. First bid packages to be issued in fall 2012; construction begins in early 2013, with completion in 2015.
2. Where is your campus in the process (i.e., where do you fall along the timeline)?
  - a. Has your institution implemented the Special Use Fee?  
 Yes, implemented in fall 2011
  - b. To date, how much revenue has been raised by the fee?  
 A little over 600K, spring semester will be a bit less.
3. What is the status of the building project?
  - a. Have bonds been issued to finance the project?  
 No
  - b. If so, what was the date of issuance and amount?
  - c. Are you in the planning or construction phase of the building project (i.e., Phase A - planning, Phase B - design, or bid/construction phase)?  
 The Campus Recreation Center Expansion/Renovation project is about to begin Phase A. Surveying and soils investigation will take place in January/February. A/E was selected in December 2011 and CM selection process will begin this spring.
  - d. What is the next major milestone for the project and when will it occur?  
 The initial meeting of the Core team and Steering Committee was today. Schematic Design will continue through the spring. Design development will proceed through the summer.
4. What if any feedback has been received from students regarding implementation of the Special Use Fee?  
 NKU has received positive feedback from students. Over 7,000 individual students use the Campus Recreation Facility every year and as the end user, they understand and support the need for upgraded facilities and improved programs. To date, we have received two complaints on the special use fee, both from Adult Learner Students who are commuters.
5. What if any feedback has been received from faculty, staff, and administrators?  
 All feedback has been positive.

6. In one page or less, please describe your campus' experience in implementing a Special Use Fee. What have been some of the positive aspects of your experience? Have there been any negatives? What lessons have you learned that might help other institutions who are contemplating a Special Use Fee?

Our process has been very rewarding and timely. The Student Government Association (SGA), in collaboration with the Campus Recreation Center (CRC) Staff, have been working together on improving the CRC since 2008. During the 2008-2009 Academic year, SGA passed two resolutions to increase funding to Campus Rec and for Club Sports Programs.

During the summer of 2009, members of SGA along with staff from the CRC, conducted a peer review to better understand the needs and trends in campus recreation. During the 2009-2010 Academic year, SGA created a survey for students to get a better understanding of their needs in regards to campus rec.

As a result of the peer review and the surveys, SGA passed a resolution to increase funding to the CRC to create an equipment replacement fund (primarily for cardio equipment), increase hours of operation, and renovate the facility. The University administration supported this request.

During the summer of 2010, SGA discussed at the Kentucky Leadership Academy the feasibility of building a new campus recreation center which led to a resolution being passed in early fall 2010. The resolution requested that the campus explore the feasibility of building a new, or renovating the current CRC and to provide a timeline and costs for both.

In late fall of 2010, SGA was presented with the feasibility study which led to the adoption of the Special Use Fee which was unanimously passed by the SGA Student Senate in April 2011. During the spring semester of 2011 (prior to the vote on the Special Use Fee), SGA created 10 open forums where students could see pictures of the proposed facility, review the fees and costs, and voice their opinion.

Additionally, the student campus newspaper, The Northerner, published several articles expressing SGA's support of the Special Use Fee. There was little or no objection from our students on the creation of the Special Use fee to support a new campus recreation center. As a result, the fee proposal was unanimously supported by SGA.

Our advice to other campuses is that it takes time, research, discussions, and a lot of persistence by students to pass a special use fee. As you can see from our process, it took three years of data and numerous meetings between SGA leadership, CRC staff and university administrators to get to a point where SGA could ask our students to support a fee. We believe that since this process took three years, the students were highly invested in the process which led to little resistance when the fee was brought up for a vote.

January 20, 2012

Mr. Bill Payne  
Senior Associate, Finance  
Council on Postsecondary Education  
1024 Capital Center Drive, Suite 320  
Frankfort, KY 40601

Dear Bill:

In response to questions asked regarding the implementation of a Student Recreation Center fee, the University of Louisville offers the following responses:

- ***From fee implementation to project completion, what are some major milestones and anticipated completion dates for the project financed with Special Use Fee revenue?***
  - Construction bids were received in December 2011 for site preparation work.
  - Planning for the relocation of existing student parking from the construction site to an alternate location has begun.
  - "Special Inspections" bids are due January 31<sup>st</sup>, 2012.
  - Steel fabrication and erection bids are due January 31<sup>st</sup>, 2012.
  - Final construction documents are due for completion on February 7<sup>th</sup>, 2012.
  - Final bid package, including the selection of a general contractor, will go out for bid on or about February 10<sup>th</sup>, 2012; Bid responses are to be received approximately 30 days later.
  - On-site construction activities are scheduled to begin approximately March 1<sup>st</sup>, 2012.
  - Final completion of the facility is scheduled for an August 1<sup>st</sup>, 2013 opening, which marks the beginning of the fall semester and the students return to campus.
  
- ***Where is your campus in the process (i.e., where do you fall along the timeline)?***
  - Site preparation bid packages were received and review committee recommended contractor for award.
  - "Special Inspections" and steel fabrication and erection documents are developed; currently out for bid.
  - The remainder of architectural and construction documents are currently being developed.
  - Project is on schedule at this point in time.

- ***Has your institution implemented the Special Use Fee?***

Yes, the student recreation center fee was fully implemented beginning with the fall semester 2011. The fee is billed as a separate, stand-alone student fee not bundled with tuition.

- ***To date, how much revenue has been raised by the fee?***

The Student Recreation Center fee has generated a total of \$1,015,044 for the fall 2011 and spring 2012 terms.

- ***What is the status of the building project?***

- ***Have bonds been issued to finance the project?***

Yes, the University of Louisville issued twenty-year General Receipts Bonds – Series 2011.

- ***If so, what was the date of issuance and amount?***

The bonds were sold on August 8, 2011. The amount of the issue was \$33,790,000. The interest rate was a very attractive 3.63% (TIC).

- ***Are you in the planning or construction phase of the building project (i.e., Phase A - planning, Phase B - design, or bid/construction phase)?***

See responses above.

- ***What is the next major milestone for the project and when will it occur?***

The next major milestone for the project is receiving bids on the “Special Inspections” and steel fabrication and erection that are due on January 31<sup>st</sup>, 2012.

- ***What, if any, feedback has been received from students regarding implementation of the Special Use Fee?***

Generally, the students are pleased and excited about the construction of the new Student Recreation Center. The University administration has maintained open and frequent communication with Student Government Association (SGA) leadership all through this project. Moreover, students were actively involved in meeting with the architects during the design phase. Students are currently helping to identify preferred fitness and weight equipment for the facility. A specific contact person, the Director of Intramural and Recreational Sports, was assigned the task of handling all inquiries about the Student Recreation Center fee. The information about whom to contact with questions was posted on the Bursar's Office website. To date, the Intramural Director has received less than 50 inquiries from students about the fee during the first two semesters (fall 2011 and spring 2012) of implementation. The majority of the questions received were about the purpose of the fee and only about ten of those students expressed any displeasure with the fee.

- ***What if any feedback has been received from faculty, staff, and administrators?***

Similarly, the University's faculty and staff are equally excited about this project. At this time we have received only positive feedback about either the Student Recreation Center fee or the construction of the facility from faculty, staff, or administrators. Some employees have asked about the possibility of using the new facility once completed and what fee they would be required to pay for that privilege. This issue remains to be worked-out.

- ***In one page or less, please describe your campus' experience in implementing a Special Use Fee. What have been some of the positive aspects of your experience? Have there been any negatives? What lessons have you learned that might help other institutions who are contemplating a Special Use Fee?***

Looking back, the most important lesson to the success of the project was to involve students from the beginning. This was a student-lead initiative, so working directly with student leadership helped bring the project from an idea to reality. Likewise it is important to be fully transparent with students about all aspects of the project. That said, our experience thus far is overwhelmingly positive. Also, the CPE President and senior staff were willing to meet with the UofL student leaders early on in the process when they had only very general questions about the process and how this fee could be implemented.

Given that the Student Recreation Center was a student initiative; the Student Government Association did an excellent job generating student support for this project. We believe this is a major factor in the overall positive response we received from students. We also focused a great deal of effort in communicating with our students. We created a dedicated website that provides the history of the project, pictures, an explanation of the Student Recreation Center

Mr. Bill Payne  
January 20, 2012  
Page 4

Fee, and other pertinent information (<http://www.louisville.edu/reccenter>). Similarly, this information was posted on the main University webpage so the entire University community could be informed. We also posted information about the facility, schematics and detailed plans in high student traffic areas so they could see what was being proposed. Identifying one specific individual to answer students' questions was beneficial as it provided direct access to someone who was most knowledgeable and could address their specific questions.

Additionally, in an attempt to provide students with a benefit for paying the Student Recreation fee before the Student Recreation Center is open, we are providing a six-month membership for each semester students pay the fee before the building opens. This will be effective immediately after they graduate. Since many of our students remain in the Louisville area after they graduate, this has been very well received.

Sincerely,



Michael J. Curtin  
Vice President for Finance

cc: President James R. Ramsey  
Executive Vice President and Provost Shirley Willihnganz  
Vice President Tom Jackson

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**WESTERN KENTUCKY UNIVERSITY**  
**Special Use Fee Implementation**  
**Fall 2011**

**1. From fee implementation to project completion, what are some major milestones and anticipated completion dates for the project financed with Special Use Fee revenue?**

The Downing University Center project will involve many unique challenges and major milestones due to renovating an existing facility, relocation of significant campus services, and the importance of the facility to campus. Major milestones and anticipated completion dates are included below:

**Mar 2012:** Bid Package #1 (Utility Relocation) and #2 (Partial Interior Demolition) awarded.

**Mar 2012-Aug 2012:** Staggering the relocation of offices, the bookstore, and the creation of dining alternatives for students. Garrett Conference Center will serve as a temporary location for many of these services.

**Mar 2012:** Construction starts on DUC project (with Bid Packages #1 and #2).

**Apr 2012:** Bid Package #3 (Renovation and Addition) awarded.

**May 2012:** Construction complete on Bid Package #2 and construction starts on Bid Package #3.

**Aug 2012:** Bookstore and dining alternatives completed for students for fall 2012 open.

**Jul 2014:** Substantial Project Completion

**2. Where is your campus in the process (i.e., where do you fall along the timeline)?**

- a. Has your institution implemented the Special Use Fee?**
- b. To date, how much revenue has been raised by the fee?**

WKU implemented the Downing University Center Special Use Fee during fall 2011. Revenues posted for fall semester totaled \$1,099,322.

**3. What is the status of the building project?**

- a. Have bonds been issued to finance the project? If so, what was the date of issuance and amount?**

We expect to sell our first bonds during May 2012 for \$33,500,000. The balance (or \$16,500,000) should be sold sometime during 2013.

- b. Are you in the planning or construction phase of the building project (i.e., Phase A - planning, Phase B - design, or bid/construction phase)?**

We have completed our Phase-A planning. We are currently in Phase-B or the design, development and bidding phase of this project.

***c. What is the next major milestone for the project and when will it occur?***

Feb 2012 - final documents should be completed and released for bid on Bid Packages #1 and #2.

***4. What if any feedback has been received from students regarding implementation of the Special Use Fee?***

Student support has always been an important aspect of this project. The feedback that we have received on renovation of Downing University Center and the related student fee has been positive. The renovation, particularly because of the need, was strongly supported by SGA and various student organizations across campus. Students realize that we are maximizing the use of their student dollars through this project while at the same time minimizing their inconvenience.

***5. What if any feedback has been received from faculty, staff, and administrators?***

The project has received universal institutional support.

***6. In one page or less, please describe your campus' experience in implementing a Special Use Fee. What have been some of the positive aspects of your experience? Have there been any negatives? What lessons have you learned that might help other institutions who are contemplating a Special Use Fee?***

WKU has learned that student engagement from the beginning of this project has been of great assistance, as well as being a leadership experience for student organizations. The project has given the general student body an opportunity to be involved in the programmatic renovation of one of the most used campus buildings. The project created real-life outside the classroom learning opportunities for students.

Students, administration, staff, architect, engineers, and construction managers were engaged in group planning from the beginning of this project. The extensive participation from various constituents dramatically changed the project and will improve the benefit and long-term use of the facility for WKU's campus into the future.

One negative with this project is that consensus building has been time consuming and could have delayed the final outcome of this project. Because of this negative, we would recommend that campuses start proposals early and include necessary time to build institutional consensus from all special interest groups.

**Council on Postsecondary Education  
February 10, 2012**

**Kentucky State University  
Interior Renovation of Atwood Research Building**

**ACTION:** The staff recommends that the Council approve the request of Kentucky State University to renovate the interior of the Atwood Research Building with \$2,000,000 of Land Grant Program funds (USDA). The project scope is \$2,000,000.

Kentucky State University proposes an interior renovation of the Atwood Research Building using \$2,000,000 of funds from the federal land grant program. The expenditure of the funds is permitted per federal regulation, NARETPA § 1445(a)(3), which specifically allows research formula funds to be used for the construction and repair of buildings necessary for conducting agricultural research. The project scope is \$2,000,000. The project was approved by the Kentucky State University Board of Regents at its January 27, 2012, meeting.

Atwood Research Building is located on the Kentucky State University main campus at 400 East Main Street in Frankfort, Kentucky, and is the university's primary biological research facility. The renovation will replace the obsolete and inefficient heating, ventilating, and cooling system which has exceeded its functional life and is now experiencing significant problems. The project will repair and redesign the interior spaces to better match the current needs of the biology department. Approximately 10,000 of 26,585 total square feet will be addressed in the renovation. The project is scheduled to be completed by summer 2013.

The Council has the statutory responsibility to review and approve postsecondary education capital projects costing \$600,000 or more and equipment items costing \$200,000 or more, regardless of fund source, that have been approved by an institution's governing board. Since the estimated cost of this project exceeds the threshold, the Council and the Capital Projects and Bond Oversight Committee must approve the project before it is initiated. During the interim, capital projects are evaluated under KRS 45.760 (5), (7) and KRS 45.763. The project meets the requirement of KRS 45.760 (5), (7) that the source of funds be at least 50 percent federal or private.

The project requires interim authorization because the federal funds were made available after the 2010-12 biennial budget was enacted. Authorization of the project at this point will allow the university to properly design the project, complete the project bid process, award a contract, and complete the work by summer 2013. The project will result in improvements to state-owned property with ownership of the improvements to accrue to the university upon completion.

Kentucky State University confirms that the project will be completed with land grant (federal) funds. According to the university, permission was granted from the USDA based on the following regulation, "NARETPA § 1445(a)(3) specifically allowing research formula funds to be used for the construction and repair of buildings necessary for conducting agricultural research." The project will not result in additional requests from the General Fund for maintenance and operating funds.

The project meets the requirement of KRS 45.760(7) that the source of funds be at least 50 percent federal or private. The university does not anticipate debt financing any portion of this project, thus, the provisions of KRS 45.763 do not apply. Kentucky State University will implement the project through the Finance and Administration Cabinet, Facilities and Support Services and Engineering and Contract Administration.

Following Council action, staff will forward the Council's recommendation to the president of Kentucky State University, the secretary of the Finance and Administration Cabinet, and the Capital Projects and Bond Oversight Committee.

Staff preparation by Sherron Jackson

**Council on Postsecondary Education  
February 10, 2012**

**University of Kentucky  
Construct UK/Nicholasville Road Flood Mitigation**

**ACTION:** The staff recommends that the Council approve the request of the University of Kentucky to construct the UK/Nicholasville Road flood mitigation project with \$6,012,000 of grant funds from the Federal Emergency Management Agency (FEMA) and the in-kind value \$2,004,000 of 3.6 acres of UK property designated for the project by the university. The project scope is \$8,016,000.

The University of Kentucky proposes to construct the UK/Nicholasville Road flood mitigation project using \$6,012,000 of grant funds from the Federal Emergency Management Agency (FEMA) and the in-kind value \$2,004,000 of 3.6 acres of UK property designated for the project by the university. The project scope is \$8,016,000. The University of Kentucky Board of Trustees approved the project at its December 13, 2011, meeting.

The University of Kentucky recently undertook a Storm Water Model study of approximately 39,000 feet of conduits and open channels in the Town Branch and Wolf Run watersheds on campus. This model study was used as the basis for a FEMA grant application, which the university was successful in obtaining. The project is scheduled to be completed by spring 2013.

The project will construct three separate improvements to provide 100 year storm (and lesser storm) mitigation for roadway overtops and pedestrian safety including:

- Upgrade existing culvert at the upstream side of Nicholasville Road.
- Remove and replace portions of impervious pavements at Commonwealth Stadium with pervious pavements.
- Excavate the area between Alumni Drive and Shawneetown Drive for additional storm water detention. This will include permanent removal of Shawneetown Drive and relocation of existing utilities. The flood mitigation work will be located on and adjacent to the university's main campus.

The Council has the statutory responsibility to review and approve postsecondary education capital projects costing \$600,000 or more and equipment items costing \$200,000 or more, regardless of fund source, that have been approved by an institution's governing board. Since the estimated cost of this project exceeds the threshold, the Council and the Capital Projects and Bond Oversight Committee must approve the project before it is initiated.

During the interim, capital projects are evaluated under KRS 45.760 (5), (7) and KRS 45.763. The project meets the requirement of KRS 45.760 (5), (7) that the source of funds be at least 50 percent federal or private.

The project requires interim authorization because the federal funds have all come forward after the 2010-12 biennial budget was enacted. An authorization allows the university to properly design the project, complete the bid process, award a contract, and complete the work by spring 2013. The project will result in improvements to state-owned property with ownership of the improvements to accrue to the university upon completion.

The University of Kentucky confirms that funding for the project comes from a combination of a federal grant and the value of the property that will host the flood mitigation project. The project will not result in additional requests from the General Fund for maintenance and operating funds.

The project meets the requirement of KRS 45.760(7) that the source of funds be at least 50 percent federal or private. The university does not anticipate debt financing any portion of this project, thus, the provisions of KRS 45.763 do not apply. The University of Kentucky's Capital Project Management Division will implement the project.

Following Council action, staff will forward the Council's recommendation to the president of the University of Kentucky, the secretary of the Finance and Administration Cabinet, and the Capital Projects and Bond Oversight Committee.

Staff preparation by Sherron Jackson

**Council on Postsecondary Education  
February 10, 2012**

**University of Kentucky  
Renovate/Upgrade Softball Complex**

**ACTION:** The staff recommends that the Council approve the request of the University of Kentucky to renovate/upgrade the Softball Complex with \$7,500,000 of private funds from the university's Department of Athletics. The project scope is \$7,500,000.

The University of Kentucky proposes to renovate/upgrade the Softball Complex project using \$7,500,000 of funds from the university's Department of Athletics. The project scope is \$7,500,000. The University of Kentucky Board of Trustees approved the project at its December 13, 2011, meeting.

The University of Kentucky Athletics facility plan calls for the softball facilities to be renovated, including the locker, shower, restroom, and lounge facilities. The proposed project will include the following related renovations and upgrades: the locker area for umpires; team equipment storage; additional seating along both lines; new press box which may have the ability to service the soccer field as well as the softball field; and other amenities as deemed feasible. The softball fields are not included in this renovation project.

The project will allow the university to host the 2013 Southeastern Conference (SEC) Softball Tournament as requested by the Southeastern Conference. With the improvements, the softball complex will meet all requirements of the conference. The project is scheduled to be completed by spring 2013.

The Council has the statutory responsibility to review and approve postsecondary education capital projects costing \$600,000 or more and equipment items costing \$200,000 or more, regardless of fund source, that have been approved by an institution's governing board. Since the estimated cost of this project exceeds the threshold, the Council and the Capital Projects and Bond Oversight Committee must approve the project before it is initiated. During the interim, capital projects are evaluated under KRS 45.760 (5), (7) and KRS 45.763. The project meets the requirement of KRS 45.760 (5), (7) that the source of funds be at least 50 percent federal or private.

The project requires interim authorization because the project and funds have all come forward after the 2010-12 biennial budget was enacted. Therefore, authorization is needed to allow the university to properly design the project, complete the project bid process, award a contract, and complete the work by spring 2013. The project will result in improvements to state-owned property with ownership of the improvements to accrue to the university upon completion.

The University of Kentucky confirms that the private funds come from the university's athletics program. The project will not result in additional requests from the General Fund for maintenance and operating funds.

The project meets the requirement of KRS 45.760(7) that the source of funds be at least 50 percent federal or private. The university does not anticipate debt financing any portion of this project, thus, the provisions of KRS 45.763 do not apply. The University of Kentucky's Capital Project Management Division will implement the project.

Following Council action, staff will forward the Council's recommendation to the president of the University of Kentucky, the secretary of the Finance and Administration Cabinet, and the Capital Projects and Bond Oversight Committee.

**Council on Postsecondary Education  
February 10, 2012**

**University of Kentucky  
Ph.D. in Clinical and Translational Science**

**ACTION: The staff recommends that the Council approve the proposed Ph.D. program in Clinical and Translational Science (CIP 51.1401 - Medical Scientist) at the University of Kentucky.**

The Ph.D. in Clinical and Translational Science (CTS) program is designed to improve the health of the citizens of Kentucky and the nation by training professionals with terminal professional health care degrees to conduct clinical and translational science research. CTS is an academic discipline that focuses on acceleration of the translation of basic science advances to tangible improvements in public health.

The program includes a curriculum providing education in: (1) the core competencies of CTS; (2) advanced interdisciplinary education and research training tailored to the research interests and career objectives of individual students; and (3) mentored research training.

1. All entering scholars will complete a common 12-credit curriculum to establish core competencies in CTS. The core curriculum is designed to establish knowledge-based and skill-based competencies in communication; professionalism; critical thinking and synthesis of knowledge, planning, management, and assessment; and leadership in five areas: (1) CTS methods and technologies, (2) scientific knowledge, (3) measurement and statistics, (4) research integrity (research ethics and responsible conduct of research), and (5) collaboration and team building. These competencies are required of all CTS scholars, regardless of level of training or academic concentration.
2. Students also take a minimum of six credit hours of tailored coursework developed in consultation with the major professor and advisory committee. The tailored curriculum will be designed to provide training needed for the scholar to lead interdisciplinary CTS research teams and/or sustain independent research programs that promote innovation and new discovery. The curriculum will also provide advanced interdisciplinary training to support the development of research skills and expertise tailored to the interests and career trajectory of the individual scholar.

3. The mentored research training will allow scholars to create well-reasoned original research contributions to the discovery of clinical health knowledge and its application. The goal of this research is to facilitate the translation of discovery into improved patient care and delivery of evidence-based health care to the Commonwealth of Kentucky and to the nation.

The University of Kentucky has significant strength in its existing health-related graduate programs and associated curricula addressing key academic content areas of relevance to clinical and translational science (e.g., Nursing, Pharmacy Practice and Science, Health Sciences, Rehabilitation Sciences, and Epidemiology and Biostatistics).

**Council on Postsecondary Education  
February 10, 2012**

**Eastern Kentucky University  
M.A. in Mathematics**

**ACTION: The staff recommends that the Council approve the M.A. in Mathematics (CIP 27.0101 – Mathematics, General) proposed by Eastern Kentucky University.**

Eastern Kentucky University proposes a master's degree program in mathematics that is designed for certified high school teachers who wish to broaden their knowledge of the mathematics related to the field in which they teach. The program will also provide the necessary mathematical content for certified teachers to teach dual-credit courses at the secondary level, instruct at a postsecondary institution, or serve as a Mathematics Specialist.

The proposed degree contains two options: Secondary Mathematics and Mathematics Specialist. The first option, Secondary Mathematics, includes 18 graduate hours of mathematics content, nine hours of mathematics application, and three hours for the graduate thesis. The second option, Mathematics Specialist, includes 12 hours of mathematics content, nine hours of mathematics application, six hours of electives, and three hours for the graduate thesis.

Most universities, including EKU, offer an M.S. in Mathematics program that prepares mathematicians for additional graduate studies in pure or applied mathematics. For certified mathematics teachers, universities offer an M.A.Ed., which requires both math and education courses. Due to recent changes in the Education Professional Standards Board standards, the M.A.Ed. does not include 18 graduate hours of mathematics content courses, typically a requirement to teach college-level math. An M.A. in Mathematics will appeal to students who are not interested in an M.S. or who need at least 18 graduate hours in math.

The faculty members who have created this program have done so in coordination with local school districts, as part of an integrated approach to solve the region's difficulties in STEM+H areas. Because this degree targets secondary school teachers, EKU believes this is one prong in an integrated approach to strengthening math skills in the region and encouraging high school students to pursue math or STEM+H fields when they enter the university.

Staff preparation by Melissa Bell



**Council on Postsecondary Education  
February 10, 2012**

**2012 Legislative Session Update**

A report on actions related to postsecondary education resulting from the 2012 legislative session will be available at the February 10 meeting. The Council staff will be available for discussion.

Staff preparation by Tammie Clements



**Council on Postsecondary Education**  
**February 10, 2012**

## **2012-14 Executive Budget Recommendation Summary**

### **Fiscal Environment**

- On Tuesday, January 17, 2012, Governor Beshear released his 2012-14 Executive Budget recommendation.
- The Executive Budget includes no revenue from new taxes or expanded gaming.
- The Executive Budget proposes cuts to most state agencies of 8.4 percent in FY 13 and straight-lined budgets in FY 14. Most agencies have experienced cuts of 25 to 30 percent over the last two years.
- Some priority areas were increased (state employee retirement and health insurance, Corrections, Medicaid, Pre-school) or exempted from cuts (SEEK, Student Financial Aid, Veterans' Affairs). Some areas received a smaller reduction than the 8.4 percent (K-12 Non-SEEK, Education and Workforce, Justice and Public Safety, Postsecondary Education).
- See **Attachment A** for additional details from the Executive Budget Briefing.

### **Institution Operations**

- The Executive Budget for 2012-14 recommends a 6.4 percent General Fund reduction in FY 13 and a straight-lined budget in FY 14.
  - \$18.9 million that was transferred from FY 12 to FY 11 was restored to the institutions' base before the 6.4 percent reduction was applied. (The decrease from the FY 12 revised budget to the recommended FY 13 institutions' budget is 4.5 percent.)
  - Technical adjustments were made for debt service, the UofL hospital contract, and UK/EKU/KCTCS Physical Therapy program funding.
- See **Attachment B** for details by institution.

### **Capital Investments**

- The Executive Budget includes General Fund debt service for \$25 million in asset preservation/renovation.
- The Executive Budget includes one state supported capital project at Murray State University.
- The recommendation allows the institutions to fund \$451 million in capital projects with agency bonds.
- See **Attachment C** for details by institution.

### **CPE Agency Funds (Statewide Coordination and Statewide Educational Programs and Services)**

- The Executive Budget recommendation maintains funding (including tuition increases) for 164 veterinary spaces and 44 Optometry Spaces in the Contract Spaces Program.
- The Executive Budget proposes an 8.4 percent reduction to all other areas of CPE's Agency Budget in FY13 and straight-lines the budget in FY 14.
- Debt service of \$629,000 in FY 13 and \$1,887,000 in FY 14 is included in the Physical Facilities Trust Fund to support \$25 million for postsecondary education asset preservation/renovation capital projects.
- The Executive Budget recommendation includes \$1,558,500 in both FY 13 and FY 14 to support SB 1 (2009) implementation.

### **Financial Aid**

- The Executive Budget dedicates 100 percent of the value of the lottery revenues for student financial aid.
- The recommendation fully funds the KEES program at \$101.7 million in FY 13 and \$102.5 million in FY 14.
- The Executive Budget funds Kentucky's need-based financial aid program, the College Access Program (CAP), at \$58.9 million in both FY 13 and FY 14. (Funding in FY12 is \$60.6 million.)
- The Kentucky Tuition Grant (KTG), need-based aid specifically for students who attend independent colleges and universities, is funded at \$31.6 million in both FY 13 and FY 14. (Funding in FY 12 is \$32.5 million.)

## Executive Branch Budget FY 2012 - 2014

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Governor Steven L. Beshear  
January 17, 2012

### Governor's Goals

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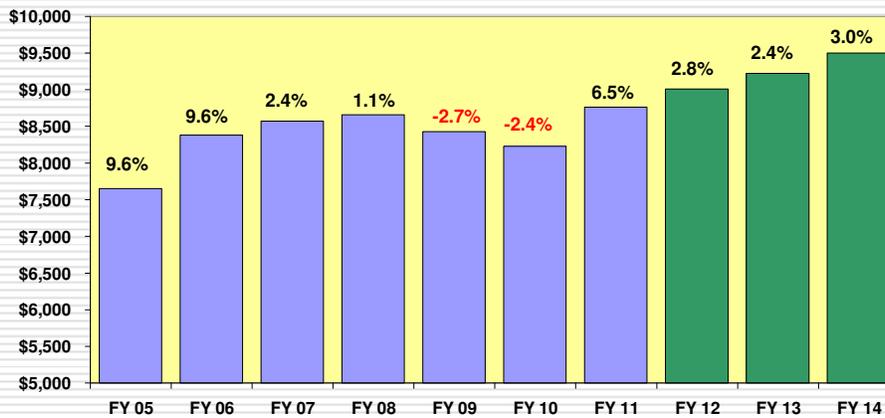
- Improve job competitiveness
  - Protect education funding
  - Make progress in early childhood education
  - Provide healthcare for most vulnerable
  - Protect the public's safety
  - Make fiscally responsible and critical investments for the future
  - Run a lean and efficient government
  - Reduce reliance on one-time funds
-

## Budget Challenges

- Increasing, but modest revenues
- One-time funds supporting spending levels not available
  - Stimulus funds
  - Funds from prior years
  - Deferred payroll
  - Non-recurring balancing measures
- Increasing costs to maintain same services
- Cumulative impact of five consecutive years of budget cuts

## Modest Revenue Growth Predicted

(millions and percent change from prior fiscal year)



## Balanced Budget FY 12 - 14

|   | <b>Biennial Total</b> |
|---|-----------------------|
|   | <b>(millions)</b>     |
| <b>Official Revenue Estimate</b>                    | <b>\$ 18,721</b>      |
| <b>Base Level of Spending (FY 11 &amp; 12)</b>      | <b>\$ 18,648</b>      |
| <b>Additional Required and Recommended Spending</b> | <b>\$ 815</b>         |
| <b>Total Recommended Spending</b>                   | <b>\$ 19,463</b>      |
| <b>Gap Between Revenues and Spending</b>            | <b>\$ (742)</b>       |
| <b>Measures to Fill the Gap</b>                     |                       |
| Cuts  | \$ 286                |
| Fund Transfers                                      | \$ 245                |
| Use of the Budget Reserve Trust Fund                | \$ 102                |
| Tax Amnesty and Enhanced Compliance                 | \$ 61                 |
| Other Resources and Lapses                          | \$ 29                 |
| Beginning Balance                                   | \$ 20                 |
| <b>Total Budget Balancing Measures</b>              | <b>\$ 742</b>         |

## Sources of Funds

- No New Taxes
- No Expanded Gaming Revenues
- Modest Revenue Growth
- Tax Amnesty and Enhanced Compliance
- Fund Transfers
- Budget Reserve Trust Fund

## Additional Revenue Collections from Existing Taxes

---

- Tax Amnesty and Enhanced Compliance Program
    - Revenue collection incentives and enhanced compliance initiatives
    - \$59 million FY 13    \$2 million FY 14 (Net Impact)
  - Abandoned Property Program
    - Extend pilot program in Jefferson County and other appropriate areas
    - Liabilities turned into assets for communities
    - \$7 million FY 13    \$10 million FY 14
- 

## Targeted Spending to Protect Priorities

---

- Most agencies reduced 8.4% in FY 13 and straight-lined in FY 14
  - Priority areas straight-lined or increased
  - Lesser reductions in several areas
-

## Highlights - Limited Areas with Additional Spending

|  | <b>Biennial<br/>Total<br/>millions</b> |
|--|--|
| <b>Debt Service</b>                    |  |
| Existing Debt                          | \$ 372                                 |
| New Bond Projects (\$304 million)      | \$ 19                                  |
| <b>Retirement and Health Insurance</b> |  |
| Retirement Contributions to KERS       | \$ 79                                  |
| Health Insurance +2% per Year          | \$ 45                                  |
| Teachers' Retirement - Medical         | \$ 43                                  |
| <b>Corrections &amp; AOC - HB 463</b>  |  |
| Increased Parole and Pretrial Officers | \$ 14                                  |
| New Local Corrections Assistance Fund  | \$ 9                                   |
| Reinvest Drug Law Savings              | \$ 7                                   |

## Highlights - Limited Areas with Additional Spending

|  | <b>Biennial<br/>Total<br/>millions</b> |
|--|--|
| <b>Health and Family Services</b>                                  |  |
| Medicaid   | \$ 84                                  |
| Substance Abuse Treatment  | \$ 8                                   |
| Supports for Community Living                                      | \$ 14                                  |
| Community Placements for Adults with Severe Mental Illness         | \$ 2                                   |
| Community Based Services Caseload Reductions                       | \$ 21                                  |
| Child Support Enforcement Match Replacement                        | \$ 18                                  |
| New Eastern State Hospital - Lease and Operations                  | \$ 16                                  |
| KASPER Enhancements  | \$ 4                                   |
| Adult Abuse Registry   | \$ 2                                   |
| Colon Cancer Screening Program                                     | \$ 1                                   |
| <b>Postsecondary Education</b>                                     |  |
| Restore Universities' Base to 2012 Originally Enacted              | \$ 38                                  |
| <b>Preschool Expansion</b>   |  |
| Expand eligibility for 4 year-olds from 150% to 160% poverty level | \$ 15                                  |
| <b>Others</b>  |  |
|  | \$ 5                                   |
| <b>Total Recommended Additional Spending</b>                       | <b>\$ 815</b>                          |

## Critical Areas Exempt from Cuts

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- SEEK
  - Preschool
  - Medicaid
  - Corrections
  - Debt Service
  - Health Insurance & Retirement
  - Teachers' Retirement
  - Student Financial Aid
  - Coal Severance Funds
  - Community Based Services
  - Behavioral Health
  - Public Advocacy
  - Revenue Operations
  - Tourism – Fair Board, Horse Park
  - Mine Permitting, Reclamation & Enforcement
  - Veterans' Affairs
- 

## Most State Agencies Cut 8.4%

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- Governor's Office
  - Attorney General
  - Auditor's Office
  - Treasurer
  - Dept. Agriculture
  - Sec. of State
  - Dept. Local Government
  - Military Affairs
  - Other General Govt. Agencies
  - Economic Development
  - Energy & Environment
  - Finance Cabinet
  - CHFS other than Medicaid, DCBS, Aging, Behavioral Health
  - Labor Cabinet
  - GPE
  - Public Protection Cabinet
  - Tourism Arts & Heritage
  - Public Transportation
  - Legislative Branch
-

## Judicial Branch

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### Judicial Branch

- Net increase of 1.5% over biennium
    - Fund fit up for judicial centers coming on-line
    - Fund increases in health insurance and retirement contributions
    - Operational reductions required to balance
- 

## K-12 Education Highest Priority

---

### Preserves SEEK funding

- Same total General Fund appropriation in FY 13 and FY 14 as FY 12
- Base per-pupil guarantee \$3,833 in FY 13 and \$3,827 in FY 14

### Expands Preschool Eligibility to 160% of Poverty Level for 4-year olds in FY 14

- 4,430 more children will be served – 18% increase
- Goal to expand to 200% of Poverty Level, adding another approx. 4,000 children by the end of Beshear administration

### Funds \$100 million School Facilities Bonds

- Authorizes additional \$100 million Offers of Assistance
-

## K-12 Education Highest Priority

---

- Provides increase in health insurance funding to support 2% increase each plan year
  - 4.5% reduction in FY 13 for Non-SEEK grants to school districts; straight-lined in FY 14
  - Funds employer contributions for Kentucky Teachers' Retirement System
- 

## Postsecondary Education

---

- Restores \$18.9 million to Base Budgets shifted from FY 12 to FY 11
  - 6.4% Base Budget Reductions for Universities and Colleges
  - No cuts to student financial aid programs
    - Fully funds KEES program
    - No cuts to Need-Based programs
    - Fully funds National Guard Tuition Assistance Program
  - \$25 million General Fund bonds for asset preservation and maintenance – no General Fund bonds for new projects
  - \$451 million Agency Bonds
    - priority projects for which institutions have identified debt service and plan to move forward
-

## Education and Workforce

---

- Agencies
    - Education Professional Standards Board
    - Kentucky Comm. on Deaf and Hard of Hearing
    - Office for the Blind
    - Office of Employment and Training
    - Office of Career and Technical Education
    - Office of Vocational Rehabilitation
    - Kentucky Educational Television
    - Kentucky Dept. of Libraries and Archives
  - 4.2% reduction in FY 13
  - Straight-lined funding in FY 14
- 

## Health and Family Services

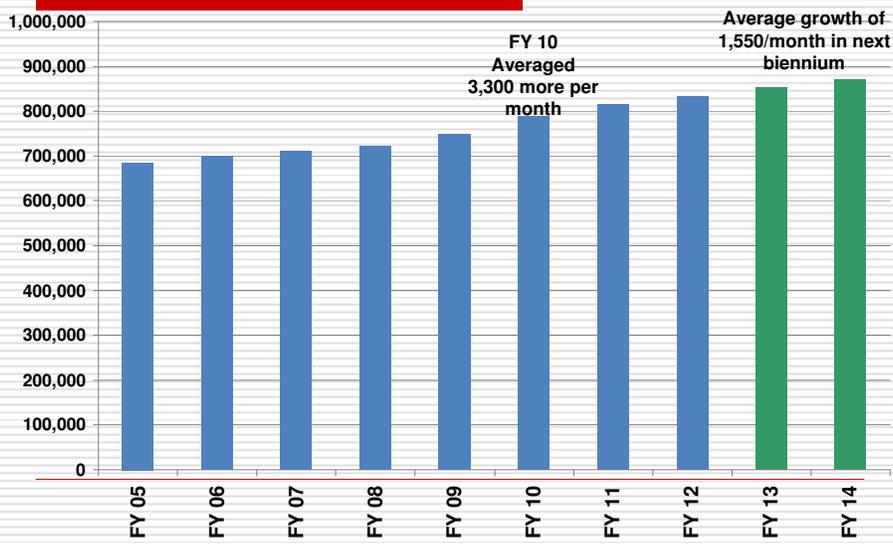
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- Medicaid program exempt from reductions
    - Increasing costs and eligible members
    - Management initiatives proposed to contain cost increases
    - Expand substance abuse treatment
    - Expand community placements for those with intellectual disabilities and severe mental illness
  - Behavioral Health exempt from reductions
  - Reduce Caseloads in the Dept. of Community Based Services
  - Costs to Open New Eastern State Hospital
  - Maintain Child Support Enforcement Program
  - Expand the KASPER program
  - Create an Adult Abuse Registry – reduced cuts for aging programs
  - Match funding to begin colon cancer screening program
  - Balance of Cabinet cut 8.4% in FY 13; straight-lined in FY 14
-

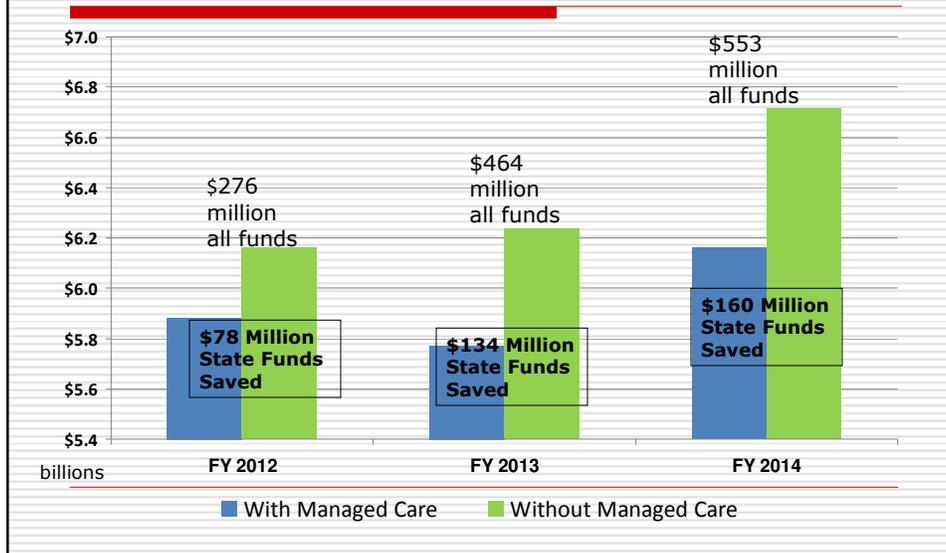
## Medicaid

- Increased General Fund need because:
  - Increasing enrollment due to the recession
  - Increasing healthcare costs
- Cost increases mitigated by managed care
- Recommended General Fund increase
  - FY 13: \$-0- FY 14: \$108 million
- Continue to implement cost containment measures

## Medicaid Population is Still Growing – But at a Slower Rate



## \$1.3 Billion Managed Care Savings through FY 14



## Medicaid Investments

- Supports for Community Living**
  - Additional 800 community placements for individuals with intellectual disabilities
    - \$3.3 million FY 13      \$10.2 million FY 14
- Adults with Severe Mental Illness**
  - 200 community placements in FY 13, 400 more in FY 14
    - \$.6 million FY 13      \$1.2 million FY 14
- Substance Abuse Treatment for Adolescents and Adults**
  - Community based treatment programs for substance abuse
    - Coverage for 5,800 medicaid eligible adolescents and adults
      - \$3.4 million FY 13    \$4.4 million FY 14

## Department for Community Based Services

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- No cuts to the Department
  - Caseload Reduction Initiative
    - Protection and Permanency
      - Reduce average caseloads from 20 to 18
    - Family Support
      - Reduce average caseloads from 1,000 to 800
    - \$10.8 million FY 13                      \$9.9 million FY 14
  - Maintain Child Support Enforcement – Match Replacement
    - Required to maintain current enforcement efforts
    - \$10.7 million FY 13                      \$7.5 million FY 14
- 

## Public Health - Colon Cancer Screening Program

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- Initial funding for HB 415 enacted in 2008
  - \$500,000 per year to provide colon cancer screening for uninsured Kentuckians
  - Provides access to screening for 2,000 uninsured Kentuckians
  - Funds will be matched dollar for dollar by *Kentucky Cancer Foundation* – total of \$1 million per year
  - Services to be provided by local health departments
  - Increased screening will save lives and money
-

## Public Employees and Retirees / Personnel Cabinet

---

- Honors the HB 1 scheduled increase in KERS and SPRS employer contribution rates
    - \$22 million FY 13            \$43 million FY 14
  - Provide funding to support 2% increase each plan year for health insurance costs
    - \$15 million FY 13            \$30 million FY 14
  - No furloughs
- 

## Economic Development

---

- Reinvests in programs to retain and create jobs
    - \$20 million High-Tech grants and loans – bond funds
  - Supports creation of Angel Investment Tax Credit Program
  - Funds One-Stop Business Portal
    - \$5 million for Phase I
-

## Energy & Environment

---

- Mining programs exempt from cuts
    - Mine Permitting
    - Mine Reclamation and Enforcement
  - Balance of Cabinet cut 8.4% in FY 13; straight-lined funding in FY 14
  - Funds permanent cap for Maxey Flats Superfund site, with continued monitoring
    - \$17 million bonds
    - \$18 million trust funds from responsible parties
- 

## Department of Veterans' Affairs

---

- Veterans' Nursing Homes
    - Operating funds to open new wing at West Kentucky Veterans' Center in Hanson
    - Fund construction of 4<sup>th</sup> state veterans' nursing home in Radcliff
    - Reauthorize 5<sup>th</sup> veterans' cemetery in Leslie County
    - No operating budget reductions
-

## Finance and Administration

---

- 8.4% cut in FY 13 ; straight-lined FY 14
  - Revenue
    - No cuts to operating funds to support Tax amnesty and revenue collection efforts
  - Debt Service on Existing Debt
    - \$177 M in FY 13    \$194 M in FY 14
      - Impact of previous debt restructuring
      - Payments on bonds previously authorized
- 

## Justice & Public Safety

---

- Corrections** - Core cost driver is incarcerated felon population

| Consensus Forecast                | FY 2013 | FY 2014 |
|-----------------------------------|---------|---------|
| Felon Population – Without HB 463 | 21,646  | 22,011  |
| HB 463 Impacts                    | (1,782) | (2,871) |
| Projected Felon Population        | 19,864  | 19,141  |

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## Corrections – HB 463 Implementation

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- ❑ **HB 463 Summary – Savings and Reinvestment**
  - Drug law changes
  - Mandated re-entry supervision – last 6 months of sentence
  - Good time credit while on parole
  - Re-invest savings in expanded treatment programs, parole services, pre-trial release, and evidence-based practices

| Corrections & AOC - HB 463             | millions |
|--|----------|
| Increased Parole and Pretrial Officers | \$ 13    |
| New Local Corrections Assistance Fund  | \$ 9     |
| Reinvest Drug Law Savings              | \$ 7     |

- ❑ Phase out one more private prison
- 

## Justice & Public Safety

---

- ❑ 2.2% cuts for most agencies in FY 13; straight-lined in FY 14
    - State Police
    - Juvenile Justice
    - Justice Administration
  - ❑ Kentucky State Police Training Academy
    - \$2 million for replacement of administration and classroom building
  - ❑ Department for Public Advocacy exempt from cuts
-

## Labor

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- Agencies:
    - Workplace Standards
    - General Administration and Program Support – Shared Services
  - 8.4% reduction in FY 13
  - Straight-lined funding in FY 14
- 

## Public Protection

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- Agencies
    - Office of the Secretary
    - Alcoholic Beverage Control
    - Housing, Buildings and Construction
    - Board of Claims/Crime Victims Compensation Board
    - Board of Tax Appeals
    - Horse Racing Commission
  - 8.4% reduction in FY 13; straight-lined funding in FY 14
-

## Tourism Arts & Heritage

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- Most Cabinet agencies cut 8.4% in FY 13; straight-lined funding in FY 14
    - Secretary's Office
    - Arts Council
    - Parks
    - Department of Travel
    - Historical Society
    - Heritage Council
    - Center for the Arts
  - Fish & Wildlife Resources – no General Funds
  - Artisans Center at Berea – supported with Road Funds
- 

## Most Agencies Cut 8.4% - on top of 25% – 30% cuts already taken

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- \$1.3 billion has been cut from appropriations over the last four years
  - The easy measures have been taken
  - Impact of the additional cuts will be real:
    - service delays
    - more employee attrition
    - some possible layoffs
    - loss of federal funds
    - possible facility closures
-

## Cumulative Impact of Cuts

---

|                            |           |                         |           |
|----------------------------|-----------|-------------------------|-----------|
| Finance Agencies           | 30% - 38% | KET                     | 27%       |
| Labor                      | 38%       | Education and Workforce | 23% - 27% |
| Area Development Districts | 38%       | CHFS Non-Medicaid       | 7% - 28%  |
| Public Protection          | 30% - 38% | K-12 Non-SEEK           | 27%       |
| Constitutional Officers    | 32% - 36% | Natural Resources       | 15%       |
| Military Affairs           | 34%       | State Police            | 15%       |
| Environmental Protection   | 32%       | Universities            | 15%       |
| Tourism, Arts & Heritage   | 30%       | Juvenile Justice        | 13%       |
| Economic Development       | 29%       | Veterans' Affairs       | 6%        |

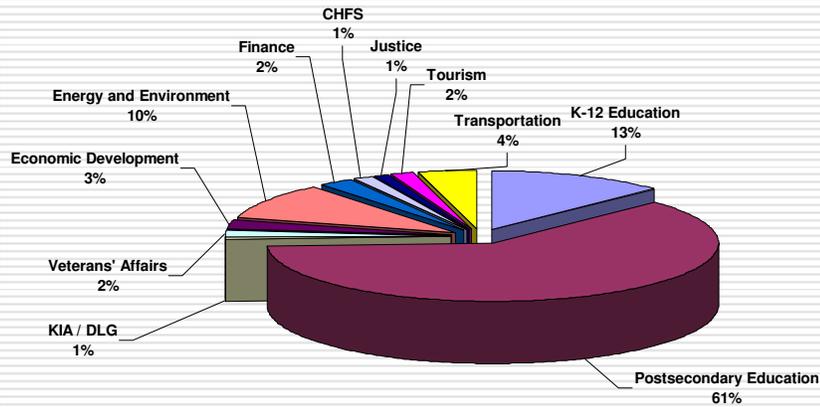
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## Capital Budget Highlights

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- ❑ Limited New Capital Program
    - Smallest since 1996
  - ❑ Invest in necessary state government infrastructure
  - ❑ **General Fund Bonds**           \$ 304 million
  - ❑ **Road Fund Bonds**             \$ 23 million
  - ❑ **Agency Fund Bonds**         \$ 451 million
  - ❑ **Total**                             \$ 778 million
  - ❑ Debt Capacity Ratio = 6.3%
-

## Total Bonds Authorized



## Capital Budget –General Fund Bonds

|                         | millions      |
|-------------------------|---------------|
| K-12 Education          | \$ 100        |
| Energy and Environment  | \$ 78         |
| Postsecondary Education | \$ 25         |
| Economic Development    | \$ 20         |
| Finance                 | \$ 19         |
| Veterans' Affairs       | \$ 14         |
| Tourism                 | \$ 13         |
| CHFS                    | \$ 11         |
| Transportation          | \$ 10         |
| Justice                 | \$ 9          |
| KIA / DLG               | \$ 6          |
| <b>Total</b>            | <b>\$ 304</b> |

## General Fund Supported Bond Projects

millions

| Agency                                  | Project  | FY 2013         | FY 2014         | Total           |
|---|--|-----------------|-----------------|-----------------|
| School Facilities Construction Comm     | 2010-12 Offers of Assistance   | \$ 100.0        | \$ -            | \$ 100.0        |
| Ky Infrastructure Authority             | KIA - Wastewater Revolving Fund Match                                | \$ -            | \$ 1.5          | \$ 1.5          |
| Ky Infrastructure Authority             | KIA - Drinking Water Revolving Fund Match                            | \$ -            | \$ 2.2          | \$ 2.2          |
| Local Government                        | Flood Control Matching Fund  | \$ -            | \$ 2.0          | \$ 2.0          |
| Veterans' Affairs                       | Fourth Veterans' Nursing Home - Radcliff                             | \$ -            | \$ 14.0         | \$ 14.0         |
| Economic Development                    | High-Tech Construction/Investment Pool                               | \$ -            | \$ 20.0         | \$ 20.0         |
| Energy & Env-Office of Secretary        | Ky Heritage Land Conservation Fund Projects                          | \$ 2.3          | \$ 2.3          | \$ 4.6          |
| Environmental Protection                | Maxey Flats Cap  | \$ -            | \$ 17.0         | \$ 17.0         |
| Environmental Protection                | Petroleum Underground Storage Tank Projects                          | \$ 26.0         | \$ 28.0         | \$ 54.0         |
| Environmental Protection                | State Owned Dam Repair   | \$ 2.5          | \$ -            | \$ 2.5          |
| Finance-Facilities and Support Services | Maintenance Pool 2012-14   | \$ 3.0          | \$ 3.0          | \$ 6.0          |
| Finance-Facilities & Supp Svcs          | Statewide Microwave Network (KEWS) Maintenance                       | \$ 2.2          | \$ -            | \$ 2.2          |
| Finance-Facilities & Supp Svcs          | Parking Garage Maintenance   | \$ 1.5          | \$ -            | \$ 1.5          |
| Finance-Facilities & Supp Svcs          | Council of State Governments Building Complex                        | \$ 0.5          | \$ 5.0          | \$ 5.5          |
| Finance-General Administration          | Lexington Downtown Redevelopment Project-<br>Planning & Design       | \$ 3.5          | \$ -            | \$ 3.5          |
| Finance - Revenue*                      | One Stop Business Portal- Phase I                                    | \$ 5.0          | \$ -            | \$ 5.0          |
| Health and Family Services-GAPS         | Maintenance Pool 2012-14   | \$ 2.5          | \$ 2.5          | \$ 5.0          |
| Behavioral Health                       | Electrical System Upgrade at Western - Design                        | \$ 1.0          | \$ -            | \$ 1.0          |
| Medicaid Administration                 | Medicaid Eligibility System  | \$ 5.0          | \$ -            | \$ 5.0          |
| Justice Administration-Medical Examiner | Site Acquisition and Design - New Medical Examiner<br>Lab and Office | \$ 1.0          | \$ -            | \$ 1.0          |
| State Police                            | Demolition and Construction of Training Academy<br>Building          | \$ 2.0          | \$ -            | \$ 2.0          |
| Corrections-Adult Institutions          | Maintenance Pool 2012-14   | \$ 2.8          | \$ 2.8          | \$ 5.5          |
| Council on Postsecondary Education      | Asset Preservation/Renovation Pool                                   | \$ 12.5         | \$ 12.5         | \$ 25.0         |
| Murray State University*                | Breathitt Veterinary Lab - Site Acquisition and Design               | \$ 4.0          | \$ -            | \$ 4.0          |
| Parks                                   | Maintenance Pool 2012-14   | \$ 3.0          | \$ 3.0          | \$ 6.0          |
| Parks                                   | Upgrade Wastewater System-Ft Boonesborough                           | \$ 2.0          | \$ -            | \$ 2.0          |
| Parks                                   | Splash Park Development-Variou Parks                                 | \$ -            | \$ 3.0          | \$ 3.0          |
| Fair Board                              | Parking Garage Maintenance   | \$ 2.0          | \$ -            | \$ 2.0          |
| Transportation                          | Wetland Restoration  | \$ 5.0          | \$ 5.0          | \$ 10.0         |
| <b>Total General Fund Bonds</b>         |  | <b>\$ 184.2</b> | <b>\$ 123.8</b> | <b>\$ 304.0</b> |

\*Reauthorized - not new bonds

## Capital Budget – Agency Bond Projects

- University agency bond projects authorized at levels the universities can support and actually plan to issue

millions

|                                |       |
|--------------------------------|-------|
| ■ Eastern Kentucky University  | \$ 64 |
| ■ Morehead State University    | \$ 24 |
| ■ Murray State University      | \$ 19 |
| ■ Northern Kentucky University | \$ 67 |
| ■ University of Kentucky       | \$200 |
| ■ University of Louisville     | \$ 39 |
| ■ Western Kentucky University  | \$ 39 |
| ■ Total                        | \$451 |

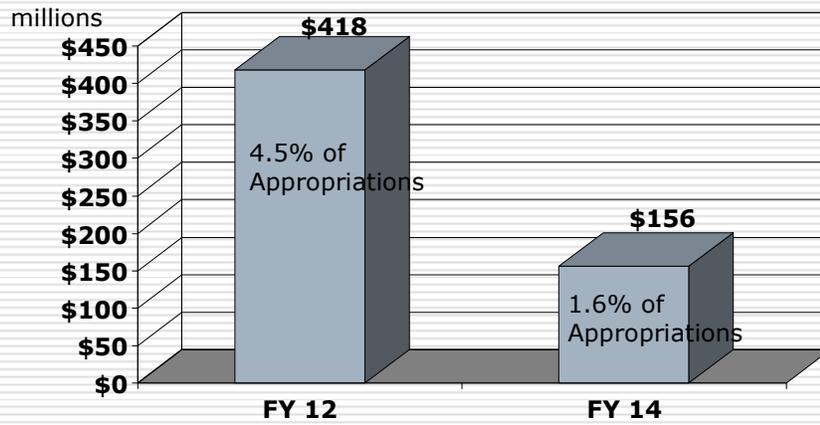
## Agency Bond Projects

| Projects   | Agency Bonds<br>(millions) |
|--|----------------------------|
| <b>Eastern Ky University</b>                             |                            |
| Renovate Residence Hall-Additional                       | \$ 6.0                     |
| Refinance ESPC   | \$ 27.0                    |
| Construct University Activity Center, Phase II           | \$ 31.3                    |
| <b>Total</b>   | <b>\$ 64.3</b>             |
| <b>Morehead State University</b>                         |                            |
| Renovate West Mignon Residence Hall-Add                  | \$ 0.6                     |
| Renovate Cartmell Residence Hall                         | \$ 11.1                    |
| Renovate Mignon Residence Hall                           | \$ 9.3                     |
| Construct Food Service/Retail & Parking Struct-Add       | \$ 2.1                     |
| Replace Exterior Precast Panels-Nunn Hall-Add            | \$ 0.4                     |
| Construct Residential Facility at Univ. Farm-Add         | \$ 0.3                     |
| <b>Total</b>   | <b>\$ 23.7</b>             |
| <b>Murray State University</b>                           |                            |
| Construct New University Library- Design                 | \$ 3.8                     |
| Renovate Hester Hall                                     | \$ 8.4                     |
| Complete Capital Renewal: H & D Pool < \$600,000         | \$ 6.5                     |
| <b>Total</b>   | <b>\$ 18.7</b>             |
| <b>Northern Ky University</b>                            |                            |
| Expand/Renovate Albright Health Center                   | \$ 45.0                    |
| Acquire/Renovate New Residence Hall                      | \$ 10.0                    |
| Expand University Drive Parking Garage                   | \$ 12.0                    |
| <b>Total</b>   | <b>\$ 67.0</b>             |
| <b>University of Ky - Agency Bond Pool</b>               | <b>\$ 200.0</b>            |
| <b>University of Louisville</b>                          |                            |
| Purchase Land for Support Services in Northeast Quadrant | \$ 15.0                    |
| Guaranteed Energy Savings Contract-Additional            | \$ 4.5                     |
| Expand Student Activities Center                         | \$ 19.5                    |
| <b>Total</b>   | <b>\$ 39.0</b>             |
| <b>Western Ky University</b>                             |                            |
| Renovate Downing University Center-Phase V               | \$ 16.5                    |
| Construct Honors College Facility                        | \$ 22.0                    |
| <b>Total</b>   | <b>\$ 38.5</b>             |
| <b>Grand Total</b>                                       | <b>\$ 451.3</b>            |

## Surplus Expenditure Plan

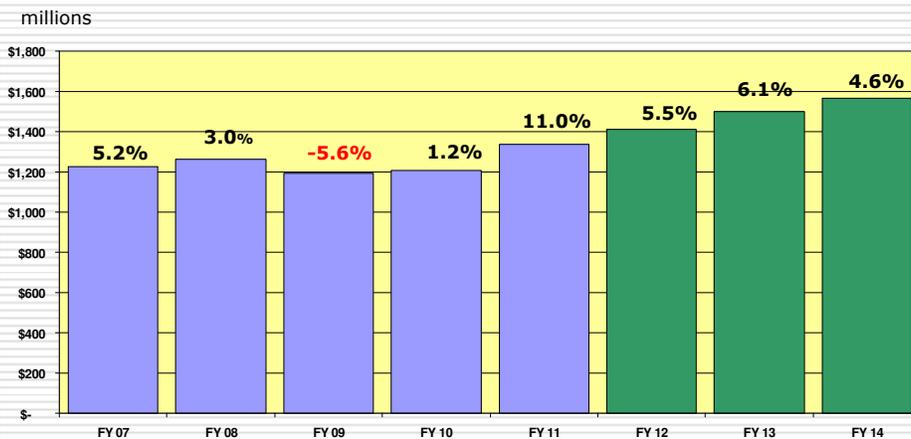
- Necessary Governmental Expenses
- 50% to Restore SEEK funding to FY 12 Per Pupil Guarantee
- 50% to Restore Budget Reserve Trust Fund

## Reduced reliance on one-time funds Improved Structural Balance



FY 12 at enactment  
FY 14 proposed

## Road Fund Revenues Improving



## Transportation Cabinet

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- Increased revenue sharing with local govts.
    - \$34 million FY 13    \$25 million FY 14
  - Replace the drivers' licensing system
  - County Maintenance Facility Replacements
    - Replacing 7 county maintenance facilities and salt domes
- 

## 2012 Six Year Highway Plan

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- Projects selected will:
    - Solve a maintenance problem
    - Address a known safety concern
    - Deal with significant traffic congestion
    - Improve highways for Kentucky's employers and citizens
  - Annual design and construction contract lettings of \$1 billion
-

## Highlighted Projects

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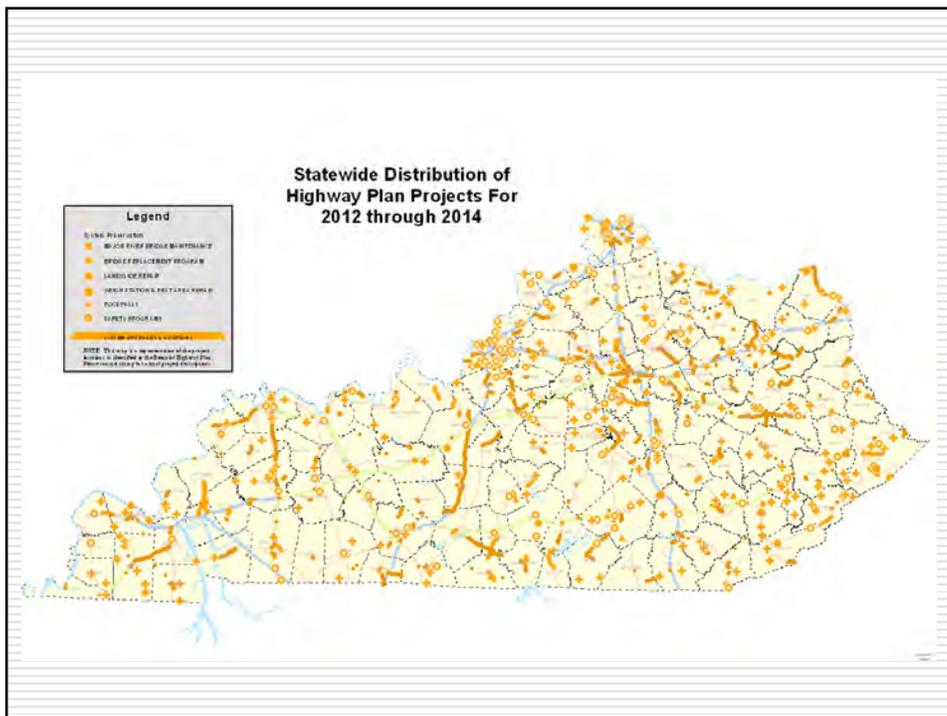
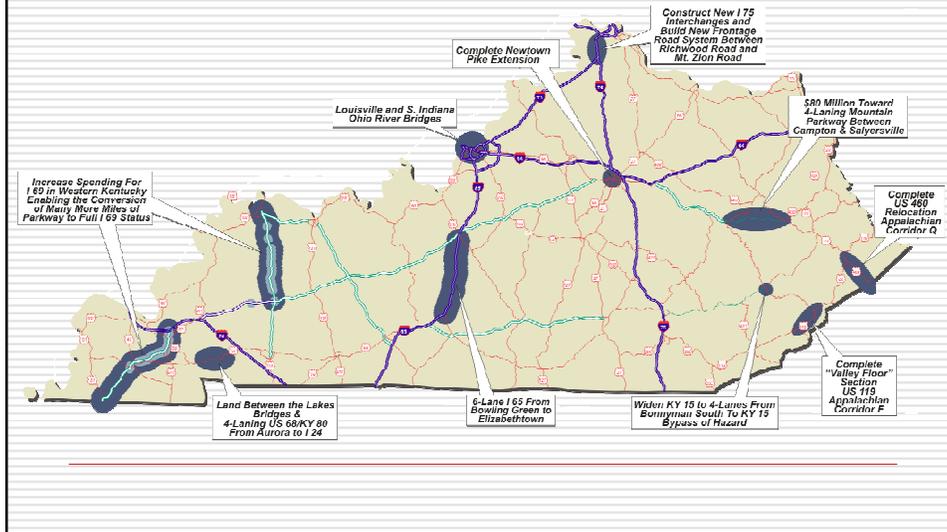
- ❑ Kentucky share of the Louisville and Southern Indiana Ohio River Bridges Project.
  - ❑ Completes the 6-laning of Interstate 65 between Bowling Green and Elizabethtown
  - ❑ Constructs new bridges on US68/KY80 at Lake Barkley and Kentucky Lake and completes the 4-laning of US68/KY80 from Aurora to I24 at Cadiz.
  - ❑ Increases spending for Interstate 69 in Western Kentucky enabling the ultimate conversion of many more miles of parkway to full I-69 status.
  - ❑ Provides \$80 million toward the 4-laning of the Mountain Parkway between Campton and Salyersville.
  - ❑ Widens KY15 to 4-lanes from north of KY80 near Bonnyman to south of KY80 at the KY15 Bypass of Hazard.
- 

## Highlighted Projects

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- ❑ Completes the relocation of US460 (Appalachian Corridor Q) between US23 and the Virginia state line.
  - ❑ Completes the “Valley Floor” section of US 119 (Appalachian Corridor F) in Letcher County between Partridge and Oven Fork.
  - ❑ Completes the Newtown Pike Extension Project in downtown Lexington.
  - ❑ Constructs new Interstate 75 Interchanges and builds a new frontage road system between Richwood Road and Mt. Zion Road in Boone County.
  - ❑ Dedicates over \$100 million annually to primary road system pavement repairs across the state.
  - ❑ Spends over \$500 million to repair or replace more than 240 substandard bridges across the Commonwealth.
-

# Highlighted Projects



**ATTACHMENT B**

**Kentucky Public Postsecondary Institutions  
Difference Between 2011-12 Adjusted and 2012-13 and 2013-14 Proposed Net General Fund Appropriations**

| Institution                  | 2011-12 <sup>(a)</sup>       | 2012-13 <sup>(b)</sup>                                  | 2013-14 <sup>(b)</sup>                                  |
|------------------------------|------------------------------|---|---|
|                              | Adjusted Net<br>General Fund | HB 265 Proposed<br>Executive Budget<br>Net General Fund | HB 265 Proposed<br>Executive Budget<br>Net General Fund |
| University of Kentucky       | \$303,279,200                | \$283,869,300   | \$283,869,300   |
| University of Louisville     | 150,849,100                  | 141,194,800   | 141,194,800   |
| Eastern Kentucky University  | 72,301,000                   | 67,673,700  | 67,673,700  |
| Kentucky State University    | 25,146,800                   | 23,537,400  | 23,537,400  |
| Morehead State University    | 43,820,900                   | 41,016,400  | 41,016,400  |
| Murray State University      | 51,288,200                   | 48,005,800  | 48,005,800  |
| Northern Kentucky University | 50,037,500                   | 46,835,100  | 46,835,100  |
| Western Kentucky University  | 77,377,300                   | 72,425,200  | 72,425,200  |
| KCTCS                        | 204,546,700                  | 191,455,700   | 191,455,700   |
| <b>System Totals</b>         | <b>\$978,646,700</b>         | <b>\$916,013,400</b>                                    | <b>\$916,013,400</b>                                    |
|                              |                              | <b>Dollar Change</b>                                    | <b>Percent Change</b>                                   |
|                              |                              | (\$19,409,900)  | -6.4%   |
|                              |                              | (9,654,300)   | -6.4%   |
|                              |                              | (4,627,300)   | -6.4%   |
|                              |                              | (1,609,400)   | -6.4%   |
|                              |                              | (2,804,500)   | -6.4%   |
|                              |                              | (3,282,400)   | -6.4%   |
|                              |                              | (3,202,400)   | -6.4%   |
|                              |                              | (4,952,100)   | -6.4%   |
|                              |                              | (13,091,000)  | -6.4%   |
|                              |                              | <b>(\$62,633,300)</b>                                   | <b>-6.4%</b>  |

<sup>(a)</sup> Net General Fund appropriations adjusted to restore \$18.9 million transferred from FY12 to FY11 to maintain Kentucky's eligibility for federal Ed Jobs program funding and to transfer \$160,000 from KCTCS to UK and EKU in amounts of \$80,000 each to support Physical Therapy programs at the universities.

<sup>(b)</sup> Total General Fund appropriations, net of debt service and UofL hospital contract, as proposed in HB 265, the Governor's Executive Budget.

Source: Kentucky Budget of the Commonwealth.

Council on Postsecondary Education v Executive Branch  
 CPE v Governors Capital Projects Recommendations  
 State Bonds Authority  
 2012-14

| Institution and Project Category | 2012-14 CPE Recommendation |                         | 2012-14 Executive Budget (HB 265) |                      |             |                      |
|----------------------------------|----------------------------|-------------------------|-----------------------------------|----------------------|-------------|----------------------|
|                                  | Project Scope              | State Bonds             | Institution or Other Funds        | State Bonds          | Other Funds | Total                |
| 1 Asset Preservation/Renovation  | 567,992,800                | 567,992,800             |                                   | 25,000,000           |             | 25,000,000           |
| 2 New/Expanded Projects *        | 432,007,200                | 432,007,200             |                                   | 4,000,000            |             | 4,000,000            |
| 3 Information Technology         | 60,000,000                 | 60,000,000              |                                   |                      |             | -                    |
| <b>System Total</b>              | <b>\$ 1,060,000,000</b>    | <b>\$ 1,060,000,000</b> | <b>\$ -</b>                       | <b>\$ 29,000,000</b> | <b>\$ -</b> | <b>\$ 29,000,000</b> |

Notes:

- \*Murray State University Acquire Land/Design Breathitt Veterinary Center reallocates bonds from a KY Agriculture Heritage Center project to MuSU for this project.
- HB 265 includes language that direct CPE to distribute the \$25 million Asset Preservation funds and to determine a required institution match.
- CPE has made no determination regarding the distribution or the required institution match for the \$25.0 million asset preservation bond pool.

Revised: January 20, 2012

Council on Postsecondary Education v Executive Branch  
CPE v Governors Capital Recommendations  
Agency Bond Authority  
2012-14

| Institution and Project Title       |  | 2012-14 CPE Recommendation |                       | 2012-14 Executive Recommendation HB 265 |                      |                      |                      |
|-------------------------------------|--|----------------------------|-----------------------|---|----------------------|----------------------|----------------------|
|                                     |  | Project Scope              | Agency Bonds          | Institution or Other Funds              | Agency Bonds         | Bond Authority       | Other Funds          |
| <b>Eastern Kentucky University</b>  |  |                            |                       |   |                      |                      |                      |
| 1                                   | Renovate Residence Hall  | \$ 12,000,000              | \$ 12,000,000         |   |                      | \$ 6,000,000         | \$ 6,000,000         |
| 2                                   | Construct New Student Housing-Garden Apts.                         | 54,000,000                 | 54,000,000            |   |                      |                      |                      |
| 3                                   | Construct University Activity Center, Phase II                     | 31,275,000                 | 31,275,000            |   |                      | 31,275,000           | 31,275,000           |
| 4                                   | Construct North Campus Res. Dist. Retail Unit                      | 2,250,000                  | 2,250,000             |   |                      |                      |                      |
| 5                                   | Expand Thompson Schwendeman Building                               | 6,025,000                  | 6,025,000             |   |                      | 27,000,000           | 27,000,000           |
| 6                                   | Refinance Guaranteed Energy Savings Performance Contracts **       |                            |                       |   |                      |                      |                      |
|                                     | <b>Subtotal - EKU</b>  | <b>\$ 105,550,000</b>      | <b>\$ 105,550,000</b> | <b>\$ -</b>                             | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ 64,275,000</b> |
| <b>Kentucky State University</b>    |  |                            |                       |   |                      |                      |                      |
| 1                                   | Construct Parking Structure  | \$ 13,470,000              | \$ 13,470,000         |   |                      |                      | \$ -                 |
| 2                                   | Construct New Residence Hall, Phase III                            | 52,762,000                 | 52,762,000            |   |                      |                      |                      |
|                                     | <b>Subtotal - KSU</b>  | <b>\$ 66,232,000</b>       | <b>\$ 66,232,000</b>  | <b>\$ -</b>                             | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ -</b>          |
| <b>Morehead State University</b>    |  |                            |                       |   |                      |                      |                      |
| 1                                   | Renovate West Mignon Residence Hall *                              | \$ 5,562,000               | \$ 5,562,000          |   |                      | \$ 614,000           | \$ 4,948,000         |
| 2                                   | Renovate Carmill Residence Hall                                    | 11,064,000                 | 11,064,000            |   |                      | 11,064,000           | 11,064,000           |
| 3                                   | Renovate Mignon Residence Hall                                     | 9,268,000                  | 9,268,000             |   |                      | 9,268,000            | 9,268,000            |
| 4                                   | Construct Food Svcs/Retail & Parking Structure in Housing Complex* | 18,867,000                 | 18,867,000            |   |                      | 2,081,000            | 2,081,000            |
| 5                                   | Replace Exterior Precast Panels-Nunn Hall*                         | 3,372,000                  | 3,372,000             |   |                      | 372,000              | 3,000,000            |
| 6                                   | Construct Residential Facility-University Farm*                    | 2,837,000                  | 2,837,000             |   |                      | 313,000              | 2,524,000            |
| 7                                   | Construct Student Residential Apartment Complex                    | 58,586,000                 | 58,586,000            |   |                      |                      |                      |
| 8                                   | Comply with ADA - Auxiliary  | 3,445,000                  | 3,445,000             |   |                      |                      |                      |
| 9                                   | Capital Renewal & Maintenance Pool -Auxiliary                      | 2,668,000                  | 2,668,000             |   |                      |                      |                      |
|                                     | <b>Subtotal - MoSU</b>   | <b>\$ 115,669,000</b>      | <b>\$ 115,669,000</b> | <b>\$ -</b>                             | <b>\$ 25,258,000</b> | <b>\$ 2,000,000</b>  | <b>\$ 50,970,000</b> |
| <b>Murray State University</b>      |  |                            |                       |   |                      |                      |                      |
| 1                                   | Planning and Design New University Library                         | \$ 62,033,000              | \$ 62,033,000         |   |                      |                      | \$ 3,800,000         |
| 2                                   | Renovate Hester Hall   | 8,400,000                  | 8,400,000             |   |                      | 8,400,000            | 8,400,000            |
| 3                                   | Complete Life Safety Projects H&D <\$600,000                       | 590,000                    | 590,000               |   |                      |                      |                      |
| 4                                   | Complete ADA Compliance: H&D Pool < \$600,000                      | 629,000                    | 629,000               |   |                      |                      |                      |
| 5                                   | Complete Capital Renewal: H&D Pool < \$600,000                     | 6,534,000                  | 6,534,000             |   |                      | 6,534,000            | 6,534,000            |
| 6                                   | Abate Asbestos: H&D Pool < \$600,000                               | 962,000                    | 962,000               |   |                      |                      |                      |
| 7                                   | Renovate Buildings H&D Pool <\$600,000                             | 590,000                    | 590,000               |   |                      |                      |                      |
|                                     | <b>Subtotal - MuSU</b>   | <b>\$ 79,738,000</b>       | <b>\$ 79,738,000</b>  | <b>\$ -</b>                             | <b>\$ -</b>          | <b>\$ 18,734,000</b> | <b>\$ 18,734,000</b> |
| <b>Northern Kentucky University</b> |  |                            |                       |   |                      |                      |                      |
| 1                                   | Expand/Renovate Albright Health Center *                           | \$ 60,000,000              | \$ 45,000,000         | \$ 15,000,000                           |                      |                      | \$ 63,000,000        |
| 2                                   | Acquire/Renovate New Residence Hall                                | 10,000,000                 | 10,000,000            |   |                      | 18,000,000           | 10,000,000           |
| 3                                   | Acquire Gateway/Highland Hts Campus                                | 3,400,000                  | 3,400,000             |   |                      |                      |                      |
| 4                                   | Expand University Drive Parking Garage                             | 12,000,000                 | 12,000,000            |   |                      | 12,000,000           | 12,000,000           |
| 5                                   | Acquire Land/Master Plan 2012-2014                                 | 15,000,000                 | 15,000,000            |   |                      |                      |                      |
| 6                                   | Construct Satellite Parking Lot                                    | 3,775,000                  | 3,775,000             |   |                      |                      |                      |
|                                     | <b>Subtotal - NKU</b>  | <b>\$ 104,175,000</b>      | <b>\$ 89,175,000</b>  | <b>\$ 15,000,000</b>                    | <b>\$ -</b>          | <b>\$ 18,000,000</b> | <b>\$ 85,000,000</b> |

Council on Postsecondary Education v Executive Branch  
CPE v Governors Capital Recommendations  
Agency Bond Authority  
2012-14

| Institution and Project Title                         | 2012-14 CPE Recommendation |                         |                            | 2012-14 Executive Recommendation HB 265 |                      |                      |                       |
|---|----------------------------|-------------------------|----------------------------|---|----------------------|----------------------|-----------------------|
|   | Project Scope              | Agency Bonds            | Institution or Other Funds | Agency Bonds                            | Bond Authority       | Other Funds          | Total Scope           |
| <b>Western Kentucky University</b>                    |                            |                         |                            |   |                      |                      |                       |
| 1 Renovate Downing University Center Phase V          | \$ 16,500,000              | \$ 16,500,000           | \$ -                       | \$ 16,500,000                           |                      | \$ -                 | \$ 16,500,000         |
| 2 Construct Honors College Facility                   | 22,000,000                 | 22,000,000              | -                          | 22,000,000                              |                      | -                    | 22,000,000            |
| <b>Subtotal - WKU</b>                                 | <b>\$ 38,500,000</b>       | <b>\$ 38,500,000</b>    | <b>\$ -</b>                | <b>\$ 38,500,000</b>                    | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ 38,500,000</b>  |
| <b>University of Kentucky</b>                         |                            |                         |                            |   |                      |                      |                       |
| 1 Agency Bond Pool **                                 |                            |                         |                            |   |                      | \$ 200,000,000       | \$ 200,000,000        |
| 2 Construct Student Housing                           | 120,000,000                | 120,000,000             | -                          |   |                      |                      |                       |
| 3 Expand Patient Care Facility - Hospital Phase 3     | 150,000,000                | 150,000,000             | -                          |   |                      |                      |                       |
| 4 Construct Ophthalmology Clinic - Hospital           | 20,000,000                 | 20,000,000              | -                          |   |                      |                      |                       |
| 5 Improve Life Safety, Projects Pool                  | 5,000,000                  | 5,000,000               | -                          | X                                       |                      |                      |                       |
| 6 Renovate/Expand Commonwealth Stadium                | 100,000,000                | 100,000,000             | -                          | X                                       |                      |                      |                       |
| 7 Renovate/Upgrade Baseball Facilities                | 15,000,000                 | 15,000,000              | -                          | X                                       |                      |                      |                       |
| 8 Renovate / Upgrade Softball Facilities              | 7,500,000                  | 7,500,000               | -                          |   |                      |                      |                       |
| 9 Renovate Dentistry Building                         | 2,100,000                  | 2,100,000               | -                          |   |                      |                      |                       |
| 10 Repair Emergency Infrastructure/Building Systems   | 25,000,000                 | 25,000,000              | -                          | X                                       |                      |                      |                       |
| 11 Repair/Upgrade/Improve Building Mechanical         | 25,000,000                 | 25,000,000              | -                          | X                                       |                      |                      |                       |
| 12 Repair/Upgrade/Improve Building Shell Systems      | 5,000,000                  | 5,000,000               | -                          | X                                       |                      |                      |                       |
| 13 Repair/Upgrade/Improve Building Electrical Systems | 5,000,000                  | 5,000,000               | -                          | X                                       |                      |                      |                       |
| 14 Repair/Upgrade/Improve Building Elevator Systems   | 5,000,000                  | 5,000,000               | -                          | X                                       |                      |                      |                       |
| 15 Acquire Land                                       | 50,000,000                 | 50,000,000              | -                          | X                                       |                      |                      |                       |
| 16 Construct Data Center                              | 40,000,000                 | 40,000,000              | -                          |   |                      |                      |                       |
| 17 Construct Freestanding Clinic - UKHC               | 36,000,000                 | 36,000,000              | -                          |   |                      |                      |                       |
| 18 Construct Office Tower - UKHC                      | 95,600,000                 | 95,600,000              | -                          |   |                      |                      |                       |
| 19 Acquire/Renovate Academic Facilities               | 25,000,000                 | 25,000,000              | -                          | X                                       |                      |                      |                       |
| 20 Repair/Upgrade/Expand Central Plants               | 62,000,000                 | 62,000,000              | -                          | X                                       |                      |                      |                       |
| 21 Renovate / Upgrade Soccer Complex                  | 7,500,000                  | 7,500,000               | -                          | X                                       |                      |                      |                       |
| 22 Capital Renewal Maintenance Pool - Housing         | 15,000,000                 | 15,000,000              | -                          | X                                       |                      |                      |                       |
| 23 Expand/Renovate Student Center                     | 100,000,000                | 100,000,000             | -                          | X                                       |                      |                      |                       |
| <b>Subtotal - UK</b>                                  | <b>\$ 915,700,000</b>      | <b>\$ 915,700,000</b>   | <b>\$ -</b>                | <b>\$ 200,000,000</b>                   | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ 200,000,000</b> |
| <b>University of Louisville</b>                       |                            |                         |                            |   |                      |                      |                       |
| 1 Purchase Land Support Service (Northeast Quad)      | \$ 15,000,000              | \$ 15,000,000           |                            | \$ 15,000,000                           |                      | \$ -                 | \$ 15,000,000         |
| 2 Renovate Guaranteed Energy Savings (2012-14)*       | 20,000,000                 | 20,000,000              |                            | 4,516,000                               | 15,484,000           |                      | 20,000,000            |
| 3 Expand Student Activities Center                    | 19,530,000                 | 19,530,000              |                            | 19,530,000                              |                      |                      | 19,530,000            |
| 4 Renovate Student Activities Center                  | 15,000,000                 | 15,000,000              |                            |   |                      |                      |                       |
| 5 Construct HSC Parking Structure III                 | 44,949,000                 | 44,949,000              |                            |   |                      |                      |                       |
| 6 Construct Belknap Parking Garage II                 | 42,270,000                 | 42,270,000              |                            |   |                      |                      |                       |
| <b>Subtotal - Uofl</b>                                | <b>\$ 156,749,000</b>      | <b>\$ 156,749,000</b>   | <b>\$ -</b>                | <b>\$ 39,046,000</b>                    | <b>\$ 15,484,000</b> | <b>\$ -</b>          | <b>\$ 54,530,000</b>  |
| <b>System Total</b>                                   | <b>\$ 1,582,313,000</b>    | <b>\$ 1,582,313,000</b> | <b>\$ 15,000,000</b>       | <b>\$ 451,267,000</b>                   | <b>\$ 40,742,000</b> | <b>\$ 20,000,000</b> | <b>\$ 512,009,000</b> |

Notes:

- \*This project includes reauthorized funds.
- \*\* A new project identified by the Governor's Budget.

Revised: January 20, 2012

**Council on Postsecondary Education v Executive Branch  
CPE v Governors Capital Recommendations  
3rd Party Financing (KRS 45.763)  
2012-14**

| Institution and Project Title                                   | 2012-14 CPE Recommendation |                              | 2012-14 Executive Recommendation HB 265 |                      |                       |
|---|----------------------------|------------------------------|---|----------------------|-----------------------|
|   | Project Scope              | Bonds or 3rd Party Financing | 3rd Party Financing                     | Other Funds          | Total                 |
| <b>Eastern Kentucky University</b>                              |                            |                              |   |                      |                       |
| 1 Construct New Student Housing-Garden Apts.                    | \$ 54,000,000              | \$ 54,000,000                | \$ 54,000,000                           | \$ -                 | \$ 54,000,000         |
| 2 Construct New Student Housing                                 | 36,000,000                 | 36,000,000                   | 36,000,000                              | -                    | 36,000,000            |
| 3 Construct EKU Hotel/Learning Center                           | 40,000,000                 | 40,000,000                   | 40,000,000                              | -                    | 40,000,000            |
| <b>Subtotal - EKV</b>   | <b>\$ 130,000,000</b>      | <b>\$ 130,000,000</b>        | <b>\$ 130,000,000</b>                   | <b>\$ -</b>          | <b>\$ 130,000,000</b> |
| <b>Kentucky State University</b>                                |                            |                              |   |                      |                       |
| 1 Construct Retail Space/Hotel on East Main/Douglas Streets     | \$ 36,588,000              | \$ 36,588,000                | \$ 36,588,000                           | \$ -                 | \$ 36,588,000         |
| 2 Construct New Residence Hall, Phase III                       | 52,762,000                 | 52,762,000                   | 52,762,000                              | -                    | 52,762,000            |
| <b>Subtotal - KSU</b>   | <b>\$ 89,350,000</b>       | <b>\$ 89,350,000</b>         | <b>\$ 89,350,000</b>                    | <b>\$ -</b>          | <b>\$ 89,350,000</b>  |
| <b>Murray State University</b>                                  |                            |                              |   |                      |                       |
| 1 Construct Paducah Regional Campus Facility                    | \$ 17,646,000              | \$ 17,646,000                | \$ 17,646,000                           | \$ -                 | \$ 17,646,000         |
| <b>Subtotal - MsSU</b>  | <b>\$ 17,646,000</b>       | <b>\$ 17,646,000</b>         | <b>\$ 17,646,000</b>                    | <b>\$ -</b>          | <b>\$ 17,646,000</b>  |
| <b>Northern Kentucky University</b>                             |                            |                              |   |                      |                       |
| 1 Expand/Renovate Baseball Field                                | \$ 4,000,000               | \$ 4,000,000                 | \$ 4,000,000                            | \$ -                 | \$ 4,000,000          |
| 2 Enhance Softball and Tennis Complex                           | 5,500,000                  | 5,500,000                    | 5,500,000                               | -                    | 5,500,000             |
| <b>Subtotal - NKU</b>   | <b>\$ 9,500,000</b>        | <b>\$ 9,500,000</b>          | <b>\$ 9,500,000</b>                     | <b>\$ -</b>          | <b>\$ 9,500,000</b>   |
| <b>University of Kentucky</b>                                   |                            |                              |   |                      |                       |
| 1 Construct/Replace/Upgrade Student Housing Phase I *           | \$ -                       | \$ -                         | \$ 175,000,000                          | \$ -                 | \$ 175,000,000        |
| 2 Lease-Purchase Electronic Health Records                      | 59,532,000                 | 15,000,000                   | 15,000,000                              | 44,532,000           | 59,532,000            |
| 3 Lease-Purchase/Construct Ambulatory Facility - UK Health care | 50,000,000                 | 50,000,000                   | 50,000,000                              | -                    | 50,000,000            |
| 4 Construct Parking Structure #9                                | 42,990,000                 | 42,990,000                   | 42,990,000                              | -                    | 42,990,000            |
| 5 Lease-Purchase Construct Digital Village Building #3          | 25,310,000                 | 25,310,000                   | 25,310,000                              | -                    | 25,310,000            |
| 6 Acquire/Construct Good Samaritan Medical Office Building      | 23,700,000                 | 23,700,000                   | 23,700,000                              | -                    | 23,700,000            |
| 7 Construct Ophthalmology Clinic - Hospital                     | 20,000,000                 | 20,000,000                   | 20,000,000                              | -                    | 20,000,000            |
| 8 Lease-Purchase Fit-Up Hospital Dining Facility/Equipment      | 17,000,000                 | 17,000,000                   | 17,000,000                              | -                    | 17,000,000            |
| 9 Off Campus Office Building                                    | 10,000,000                 | 10,000,000                   | 10,000,000                              | -                    | 10,000,000            |
| 10 Expand Boone Tennis Center                                   | 6,500,000                  | 6,500,000                    | 6,500,000                               | -                    | 6,500,000             |
| 11 Construct University Storage Building                        | 5,800,000                  | 5,800,000                    | 5,800,000                               | -                    | 5,800,000             |
| 12 Construct Fit-Up Retail Space                                | 4,000,000                  | 4,000,000                    | 4,000,000                               | -                    | 4,000,000             |
| <b>Subtotal - UK</b>  | <b>\$ 264,832,000</b>      | <b>\$ 220,300,000</b>        | <b>\$ 395,300,000</b>                   | <b>\$ 44,532,000</b> | <b>\$ 439,832,000</b> |
| <b>University of Louisville</b>                                 |                            |                              |   |                      |                       |
| 1 Expand Ambulatory Care Building - Academic Addition           | \$ 72,649,000              | \$ 72,649,000                | \$ 72,649,000                           | \$ -                 | \$ 72,649,000         |
| 2 Purchase Land Near Health Sciences Campus - Phase I           | 34,246,000                 | 34,246,000                   | 34,246,000                              | -                    | 34,246,000            |
| 3 Construct Athletic Academic Support Facility                  | 16,228,000                 | 16,228,000                   | 16,228,000                              | -                    | 16,228,000            |
| 4 Construct Soccer Stadium                                      | 16,119,000                 | 16,119,000                   | 16,119,000                              | -                    | 16,119,000            |
| 5 Expand Patterson Baseball Stadium                             | 4,573,000                  | 4,573,000                    | 4,573,000                               | -                    | 4,573,000             |
| 6 Expand Ulmer Softball Stadium                                 | 2,600,000                  | 2,600,000                    | 2,600,000                               | -                    | 2,600,000             |
| <b>Subtotal - UofL</b>  | <b>\$ 146,415,000</b>      | <b>\$ 146,415,000</b>        | <b>\$ 146,415,000</b>                   | <b>\$ -</b>          | <b>\$ 146,415,000</b> |
| <b>System Total</b>   | <b>\$ 657,743,000</b>      | <b>\$ 613,211,000</b>        | <b>\$ 788,211,000</b>                   | <b>\$ 44,532,000</b> | <b>\$ 832,743,000</b> |

Revised: January 20, 2012

HB 265 creates, retains, or deletes the following special language for postsecondary education capital projects.

**Eliminated:**

- 1 **Lease/Purchase Agreements for Public Postsecondary Institutions:** Where applicable, authorization for a lease-purchase capital project for a public postsecondary institution as set forth in Part II, Capital Projects Budget, of this Act is provided pursuant to KRS 45.763.
- 2 **Operations and Maintenance Funding:** It is the intent of the 2010 General Assembly that public postsecondary institutions should not base any decision to proceed with any capital project authorized in Part II, Capital Projects Budget, of this Act, that is funded from Agency Bonds, Restricted Funds, or Other Funds, on an expectation of receiving General Fund moneys for the operations and maintenance of that facility in future bienniums.

**Retained:**

- 1 **Agency Bond Funded Projects for Public Postsecondary Institutions:** The governing board of a public postsecondary institution shall certify in writing prior to issuance of Agency Bonds as set forth in Part II, Capital Projects Budget, of this Act that the project: (a) will generate sufficient funds to retire the bonded indebtedness and pay for ongoing operating expenses; or (b) will not result in an increase in tuition. The governing board shall submit a copy of the certification to the president of the Council on Postsecondary Education, the secretary of the Finance and Administration Cabinet, and the Capital Projects and Bond Oversight Committee.
  - 2 **Asset Preservation and Renovation Pool:** The Asset Preservation and Renovation Pool provides funding for individual projects at Kentucky's public postsecondary institutions to upgrade and replace building systems and infrastructure in education and general facilities. The individual projects funded from this pool shall be submitted by the Council on Postsecondary Education to the secretary of Finance and Administration Cabinet from the project listings previously submitted by the institutions to the Council. The Council shall determine the amount allocated to each postsecondary education institution and the amount of required matching funds and report that allocation to the Secretary of the Finance and Administration Cabinet and the Capital Projects and Bond Oversight Committee.
- New Language:**
- 1 There is no specific new language included in HB 265 that pertains to public postsecondary education institution capital projects.

**Council on Postsecondary Education  
February 10, 2012**

**The 2011-15 Kentucky Public Postsecondary Education Diversity  
Policy and Framework for Institutional Diversity Plan  
Development 2012 Degree Program Eligibility**

This assessment is an annual report card that describes institutional success in implementing strategies to achieve the objectives of the 2011-15 Kentucky Public Postsecondary Education Diversity Policy and Framework for Institutional Diversity Plan Development.

Based on the success in enrolling and retaining a diverse group of students and employing a diverse workforce, the majority of Kentucky's public postsecondary institutions qualify for the most favorable category of eligibility under KRS 164.020(19). Eight universities and 13 community and technical colleges qualify for automatic status in 2012 (see attached).

All eight universities are automatically eligible to propose new degree programs. Two universities, Eastern Kentucky University and the University of Kentucky, showed progress on all objectives. Morehead State University and Western Kentucky University showed continuing progress on seven of eight objectives. Kentucky State University, Murray State University, Northern Kentucky University, and the University of Louisville showed progress on six objectives.

In the Kentucky Community and Technical College System, 13 institutions are automatically eligible to propose new degree programs in 2012. Three KCTCS institutions must request a waiver of the requirements of KRS 164.020(19) to be eligible to offer new academic programs in 2012. Seven institutions, Big Sandy Community and Technical College, Bluegrass Community and Technical College, Elizabethtown Community and Technical College, Hazard Community and Technical College, Hopkinsville Community College, Jefferson Community and Technical College, and West Kentucky Community and Technical College showed continuing progress on five of six objectives. Six KCTCS institutions showed continuing progress on four of six objectives, while three showed progress on three objectives.

The status of the individual institutions' performance for calendar year 2012 is attached. After review of the evaluation results by the Committee on Equal Opportunities, the degree program eligibility status reports will be forwarded to the institutional presidents.

Staff preparation by Rana Johnson



**POSTSECONDARY SYSTEM SUMMARY  
INSTITUTIONAL DEGREE PROGRAM ELIGIBILITY STATUS  
CALENDAR YEAR 2012**

Revised: February 9, 2012

The eligibility status of the institutions is determined through the application of Administrative Regulation 13 KAR 2:060.

**Postsecondary System Status**

| Eligibility Category | Universities |      | Community and Technical Colleges |      | Total |      |
|----------------------|--------------|------|----------------------------------|------|-------|------|
|                      | 2012         | 2011 | 2012                             | 2011 | 2012  | 2011 |
| Automatic            | 8            | 8    | 11                               | 16   | 19    | 24   |
| Waiver               | 0            | 0    | 5                                | N/A  | 5     | N/A  |
| Not Eligible         | 0            | 0    | 0                                | N/A  | 0     | N/A  |
| Total                | 8            | 8    | 16                               | 16   | 24    | 24   |

**Status of Universities**

| Institution                  | Objectives Showing Continuous Progress | Total Objectives | Degree Program Eligibility Status |           |
|------------------------------|--|------------------|-----------------------------------|-----------|
|                              |  |                  | 2012                              | 2011      |
| Eastern Kentucky University  | 8                                      | 8                | Automatic                         | Automatic |
| Kentucky State University    | 6                                      | 8                | Automatic                         | Automatic |
| Morehead State University    | 7                                      | 8                | Automatic                         | Automatic |
| Murray State University      | 7                                      | 8                | Automatic                         | Automatic |
| Northern Kentucky University | 6                                      | 8                | Automatic                         | Automatic |
| University of Kentucky       | 8                                      | 8                | Automatic                         | Automatic |
| University of Louisville     | 7                                      | 8                | Automatic                         | Automatic |
| Western Kentucky University  | 7                                      | 8                | Automatic                         | Automatic |

**Notes:**

Universities have eight diversity plan objectives.

Automatic eligibility equals continuous progress in at least six of eight objectives.

A waiver must be requested when continuous progress is made in five or fewer objectives. New degree programs must be implemented under the waiver provisions during calendar year 2012.

**POSTSECONDARY SYSTEM SUMMARY  
INSTITUTIONAL DEGREE PROGRAM ELIGIBILITY STATUS  
CALENDAR YEAR 2012**

The eligibility status of the institutions is determined through the application of Administrative Regulation 13 KAR 2:060.

**Status of KCTCS Colleges**

| Institution  | Objectives Showing Continuous Progress | Total Objectives | Degree Program Eligibility Status |             |
|--|--|------------------|-----------------------------------|-------------|
|  |  |                  | 2012                              | 2011        |
| <b>Kentucky Community and Technical College System</b> |  |                  | <b>2012</b>                       | <b>2011</b> |
| Ashland Community and Technical College                | 4                                      | 6                | Automatic                         | Automatic   |
| Big Sandy Community and Technical College              | 4                                      | 6                | Automatic                         | Automatic   |
| Bluegrass Community and Technical College              | 6                                      | 6                | Automatic                         | Automatic   |
| Bowling Green Technical College                        | 3                                      | 6                | Waiver                            | Automatic   |
| Elizabethtown Community and Technical College          | 5                                      | 6                | Automatic                         | Automatic   |
| Gateway Community and Technical College                | 6                                      | 6                | Automatic                         | Automatic   |
| Hazard Community and Technical College                 | 5                                      | 6                | Automatic                         | Automatic   |
| Henderson Community College                            | 2                                      | 6                | Waiver                            | Automatic   |
| Hopkinsville Community College                         | 5                                      | 6                | Automatic                         | Automatic   |
| Jefferson Community and Technical College              | 6                                      | 6                | Automatic                         | Automatic   |
| Madisonville Community College                         | 3                                      | 6                | Waiver                            | Automatic   |
| Maysville Community and Technical College              | 3                                      | 6                | Waiver                            | Automatic   |
| Owensboro Community and Technical College              | 3                                      | 6                | Waiver                            | Automatic   |
| Somerset Community College                             | 4                                      | 6                | Automatic                         | Automatic   |
| Southeast KY Community and Technical College           | 4                                      | 6                | Automatic                         | Automatic   |
| West KY Community and Technical College                | 4                                      | 6                | Automatic                         | Automatic   |

**Notes:**

The Kentucky Community and Technical College System has six diversity plan objectives.

Automatic eligibility equals continuous progress in at least four of six objectives.

A waiver must be requested when continuous progress is made in three or fewer objectives. New degree programs must be implemented under the waiver provisions during calendar year 2012.

**Council on Postsecondary Education**  
**February 10, 2012**

## **GEAR UP Kentucky Update**

In September 2011, the Council on Postsecondary Education received a \$26.9 million grant award over six years from the U.S. Department of Education for GEAR UP (Gaining Early Awareness and Readiness for Undergraduate Programs), an initiative to support college readiness outreach and strengthen postsecondary partnerships. Kentucky was one of only 19 states to receive a new award in 2011 out of the 47 existing GEAR UP states. This is the third state GEAR UP grant the Council has received, and is referred to as GEAR UP Kentucky 3.0 (GUK 3.0). Earlier awards were \$10 million (2000) and \$21 million (2005).

The GUK 3.0 project has been designed to support the shared goals of the GEAR UP program, the CPE Strategic Agenda, the Unified Strategy for College and Career Readiness, and Kentucky's landmark college readiness legislation, Senate Bill 1 (SB-1) to increase graduation rate and postsecondary enrollment and reduce the need for remediation at the postsecondary level. Each GUK 3.0 objective has been designed to promote specific actions and outcomes in line with each of the three national GEAR UP goals.

Kentucky's program adopts a research-based conceptual framework for a college-going culture that must exist if schools are to achieve high levels of college readiness. GUK 3.0 will create a new structure to support the five attributes of this framework.

- **Aspiration** – Provide the right setting to inspire and support students' career and college goals.
- **Rigor** – Demonstrate that college and career success are intricately linked to academic preparation, and ensure that all students acquire core knowledge and skills by providing support for their success in school.
- **Expectation** – Establish clear indicators of college readiness that focus on both practical knowledge about college life and the requirements for enrolling in college level coursework once admitted to college.
- **Accountability** – Make appropriate decisions about student readiness and school improvement using data at every level to create a complete portrait of the student, cohort, and school.
- **Sustainability** – Focus on the transformation of the school environment to a college-going culture where sustainable, systemic change is ongoing.

GUK 3.0 will provide services for 29 middle schools located in rural areas, with a few exceptions in the northern Kentucky, Lexington, and Louisville urban regions. Using the cohort model, GUK 3.0 will serve approximately 10,000 students in three cohorts over the project period by providing direct services for students and parents, school improvement services, and statewide services.

- **Direct Services to Students and Parents** will be delivered through five research-based strategies:
  - a. GEAR UP-2-Learn (college awareness and aspiration, learning skills, and self-management).
  - b. GEAR UP-2-Success (academic advising).
  - c. GEAR UP-2-College and Careers (college and career planning including financial literacy).
  - d. GEAR UP-2-Focus (e-mentoring).
  - e. GEAR UP-2-Campus (summer enrichment).
  
- **Statewide Services:** GUK 3.0 recognizes the benefits associated with identifying common goals and the need to maximize and expand GEAR UP resources to a larger audience through collaboration with other college access providers. GUK 3.0 will implement three primary strategies:
  - a. Parent and Community Engagement to ensure outreach (parents learn to value higher education), readiness (parents have the skills to help students succeed), guidance (parents know the steps to college), and support (parents understand the resources available).
  - b. College Access and Outreach Media Campaign to develop a college-going culture by raising awareness statewide of the value, options, and steps to college readiness.
  - c. Kentucky GEAR UP Alliance to continue nurturing the association and cooperation among Kentucky's GEAR UP programs and extending this collaboration to other college access programs such as TRIO.
  
- **School Improvement Services:** GUK 3.0 school improvement services will be focused on the effectiveness of building-level leadership to implement a sustainable college-going culture through the use of data for proactive decision-making. Critical to this effort will be empowering schools and districts to accurately assess the efficacy of their current practices, design data driven improvement plans, and implement strategies to meet identified gaps and needs. GUK 3.0 will offer the tools and resources for schools to effect changes in achievement including the EPAS suite of assessments (ACT products) for students at the seventh and ninth grades and the Framework for a College-Going Culture—a performance guide and self-assessment rubric designed to gauge school progress toward achieving a sustainable college-going culture.

GEAR UP Kentucky 3.0 will work with schools and community partners to ensure college readiness for all students by cooperating with school personnel to create a college bound environment and change teaching practices, and work with students and their parents to develop a roadmap for a successful path to college.

The prior GEAR UP program continues today through an extension of funds that will end August 2012. A full six-year report will be available late spring, which will detail the impact of GEAR UP on the schools it served, describe collaborations and partnerships to increase college readiness by service regions, and report the findings of two independent evaluations of the program.

**Commissioner Terry Holliday's Report  
Council on Postsecondary Education  
February 10, 2012**

**Recent News from the Kentucky Department of Education**

***Quality Counts Report*** – The *Quality Counts* report published by Education Week was recently published with the overall summary showing that Kentucky moved from being 34<sup>th</sup> to 14<sup>th</sup> on the measures evaluated by this publication. Kentucky's overall grade was a C+.

No states received a grade of A. The highest score was a B+ (Maryland); three states received B's; five states were rated B-; and five states, including Kentucky, were rated C+.

As you review the report, Kentucky's comparative ratings were as follows:

- Chance for Success – Ranked 36<sup>th</sup> with a rating of C (average state score was C+)
- K-12 Student Achievement – Ranked 13<sup>th</sup> with a rating of C- (average state score was C-)
- Standards, Assessments, and Accountability – Ranked 20<sup>th</sup> with a rating of A- (average state score was B)
- Teaching Profession – Ranked 5<sup>th</sup> with a rating of B- (average state score was C)
- School Finance – Ranked 35<sup>th</sup> with rating of C- (average state score was C)

Although we still have much work to do, this is tremendous progress and all involved in the work to improve Kentucky education are to be congratulated.

For more detail, go to the following website:

<http://www.edweek.org/ew/qc/2012/16src.h31.html?intc=EW-QC12-LFTNAV>

***ESEA Waiver Update*** – KDE staff have made what they think are the final changes to Kentucky's ESEA waiver request on January 19 and submitted it to the United States Department of Education (USDOE) at their request. USDOE staff indicated that no more questions exist about our proposal and that we will be receiving a decision over the next few weeks. In fact, through recent conversations with USDOE officials, I have every confidence that Kentucky's request will be approved.

The major changes to the waiver made at USDOE's request included the following:

- ❖ Principle 1: College- and Career-Ready Expectations for All Students
  - Added specific language about professional learning opportunities for teachers of students with disabilities and English language learners.
  - Described the CIITS professional development module implementation and the focus on PD360 resources aligned to supporting educators and diverse learners.
  - Submitted an attachment of the specific strategies, including the use of Universal Design for Learning, for working with diverse learners. The attachment outlined the year-long action plan for the support provided to special educators through literacy and math specialists housed in the special education cooperatives.

- Included the KDE proficiency and gap delivery plans that highlight KDE strategies for improving the learning results of students in the gap populations.
- ❖ Principle 2: State-Developed Differentiated Recognition, Accountability, and Support
- Added an annual Graduation Goal for high schools. Goal is set by subtracting the baseline from 98 and dividing by 11 years.
    - ✓ Example: Baseline of 76 is 22 from 98. 22 divided by 11 years is an annual goal of 2. If the goal is missed, the school would not have made its AMO goal.
  - If a school misses its AMO goal, the school cannot be labeled as Progressing, but will still receive an overall category of Needs Improvement, Proficient, or Distinguished.
  - Added an annual Tested Participation Rate for all schools.
    - ✓ All schools must test at least 95% of their students to meet the goal. If the school misses the goal, the school would not meet its AMO goal.
  - Reduced AMO Rate of Growth.
    - ✓ Technical reviewers suggested that making growth of a full standard deviation in five years was too high.
    - ✓ KDE adjusted rate from an annual goal of .2 standard deviation growth to .07 annual growth.
  - Adjusted exit rules for Priority and Focus Schools.
    - ✓ To exit Priority and Focus status, a school would need to have a 70% graduation rate.
  - Explained how the overall accountability system addresses improving the achievement of students with disabilities and English learners.
  - Clarified how the state's District 180 process for working with Priority Schools addresses the needs of English learners and students with disabilities.
  - Referenced KDE gap and proficiency delivery plans that highlight KDE strategies for improving the learning results of students in these and other gap populations.
  - Explained how the accountability system provides incentives and support to close achievement gaps for all students.
    - ✓ Schools that do not meet AMOs are not eligible for recognition.
    - ✓ ASSIST process allows for identification of root causes and electronic development and monitoring of plans to address these issues.
  - Explained how a combination of state and federal funds would be used to ensure sufficient support for interventions in Priority, Focus and other schools needing assistance.
- ❖ Principle 3: Supporting Effective Instruction and Leadership
- Cited specific references for the design of Kentucky's Professional Growth and Effectiveness System that ensure Kentucky is considering the challenges in implementation related to appropriate ways to determine effectiveness for specialty teachers and educators working with students with disabilities and ELs.

At the January 31-February 1 meeting Kentucky Board of Education meeting, KDE staff will go through how the changes (cited above) that USDOE required us to make to the waiver affected 703 KAR 5:222, School and District Accountability Recognition, Support and Consequences and ask for approval of these changes.

***Race to the Top, Phase 3*** - In December, Kentucky was awarded a grant under Phase 3 of the Race to the Top (RTTT) Grant program. Kentucky's grant award is \$17, 037,544. Just over one half of the grant (\$8,537,544) will be awarded to local districts based on each district's share of Title I funding.

In order to receive its portion of the RTTT funding a district will be required to assure the following:

- The district has a plan in place that describes how the district will implement the various elements of the CIITS and will use RTTT funds to ensure all elements of the CIITS are implemented.
- By 2015, all educators in the district will be using the CIITS system to make instructional decisions and to ensure quality professional growth and educator effectiveness through the elements of the system, particularly the formative assessment and Educator Development suite, which includes professional development resources.

### **Update from the Kentucky Board of Education December 7 Meeting**

***Procedural Regulations for New State Assessment Approved*** - At its December 7 meeting, the Kentucky Board of Education approved the following regulations related to assessment procedures:

- 703 KAR 5:070, Inclusion of Special Populations in the State-Required Assessment and Accountability Programs (Final)
- 703 KAR 5:240, Accountability Definitions and Procedures (Final)
- 703 KAR 5:140, Requirements for school and district report cards (Final)
- Repeal of assessment and accountability regulations being replaced by 703 KAR 5:240 (Final)

703 KAR 5:070 was amended primarily to clarify what accommodations from the classroom may be appropriately moved into the testing situation without negatively impacting the construct being measured. One of the key changes was discontinuation of the use of a reader as an accommodation during the state assessment reading test due to the fact that it measures reading ability and not listening ability. Additionally, discontinuation of the use of a calculator as an accommodation on non-calculator sections of the state assessment mathematics test was another key change due to the fact that these sections measure mathematical fluency. These and other changes will align Kentucky's accommodation policies with those at the national level used by the National Assessment of Educational Progress (NAEP). Not aligning Kentucky's policies with those used nationally calls into question the validity of the state's reading and mathematics test results.

Kentucky Board of Education members asked department staff to get the message out that approval of these changes means all schools and districts must increase their efforts to move students with disabilities toward independence in reading comprehension and mathematical fluency. Additionally, the board stressed that training to support teachers in moving these students toward independence must occur.

703 KAR 5:240 is a new regulation that provides procedures that govern how school and student data are reported in the new accountability model and guidance on student participation in testing. 704 KAR 5:140 revised the elements to be included in the school and district report cards to be limited to data required by state and federal legislation. Finally, seven existing regulations are being repealed because they do not match the requirements of the new accountability system and are being replaced by 703 KAR 5:240.

For more information on these regulations, contact Ken Draut at (502) 564-2256 or via e-mail at [ken.draut@education.ky.gov](mailto:ken.draut@education.ky.gov).

***Digital Learning Report Released*** - The *Digital Learning 2020* report was publically released at the December 7 board meeting and addresses one recommendation from the Governor's Task Force on Transforming Education in Kentucky: to make better use of technology to improve teaching and learning and implement policies to enhance and expand virtual and blended learning, including funding options to ensure equitable access to students across the Commonwealth. A two-month planning process involving surveys, interviews and focus groups resulted in 11 recommendations found in the report.

A number of areas of policy to be addressed are provided in the report including access to quality digital learning opportunities, issues related to the funding formula for Kentucky schools, how to determine quality providers and how to handle oversight. The full report can be seen by going to the following website:

<http://www.education.ky.gov/Users/spalmer/December%202011%20Digital%20Learning%20Report%20FINAL.pdf>

For more information on the *Digital Learning 2020* report, contact David Cook at (502) 564-4201 or via e-mail at [david.cook@education.ky.gov](mailto:david.cook@education.ky.gov).

**Next Kentucky Board of Education Meeting: January 31 and February 1, 2012**

**Council on Postsecondary Education  
February 10, 2012**

**CPE Committee Appointments**

The Council's chair will appoint members to the Council's Executive Committee. The membership of this committee consists of the Council chair and vice chair plus three additional members appointed by the chair. The three appointed members serve one-year terms, ending January 31 of each year.

Staff preparation by Tammie Clements





## New Science Building Opens

EKU's New Science Building opened for classes on Jan. 9, the first day of the spring semester. Phase 1 of the facility, which is located adjacent to the university's health sciences complex, houses the Departments of Chemistry and Physics & Astronomy as well as science education classrooms and laboratories. President Whitlock has said the building "will revolutionize the way science is taught on this campus."

## Alumni Assist First-Generation Students

A pilot program at ECU will allow current students to navigate University life with the help of those who have already made the journey successfully.

Twelve first-generation ECU students will be selected to participate in the Connecting the Dots Student/Alumni Mentoring program this semester. The program will then pair each student with an alumni mentor, who will serve as a guide, a friend and a resource.

While the project was spearheaded by Terry Wilson, Educational Extension Agent coordinator for ECU, he is quick to point out that it became a reality through the efforts of many.

"The program's creation is a result of the collaborative efforts of our agents, Paula Wilder in particular, and Alumni Relations, Admissions, Advising, the Noel Studio for Academic Creativity, and Belk Inc., which provided the funding for the pilot," he emphasized.

Admissions and Advising will provide input on the selection of the initial group of 12 students. Alumni Relations will review alumni mentor candidates to find the best fit for each student mentee. The Noel Studio will create a series of workshops tailored for the students selected for the program.

The overall goal of the Connecting the Dots program is to increase the retention rate of first-generation students at ECU by providing them with a service that was not previously offered. The pilot program will use a control group of first-generation students (with similar ACT scores to those in the program) who are not involved in the program to help measure its value.

## NIH Grant Funds Research on Therapeutic Intervention Strategies For Brain Injuries

EKU has the lead role in a National Institutes of Health-funded initiative to research therapeutic treatment for those who have suffered traumatic brain injury (TBI).

Approximately 10 million people worldwide suffer from TBI, for which there is currently no therapeutic intervention. Especially in rural areas, where the time of transport to a hospital can be lengthy, the use of a neuroprotective agent such as gamma glutamylcysteine ethyl ester (GCEE) could be invaluable in cases of moderate TBI, according to Dr. Tanea Reed, assistant professor of chemistry at ECU and principal investigator for the three-year, \$394,000 NIH grant. Also, brain injuries commonly occur in military combat.

"There is no known cure for traumatic brain injury," Reed said. "However, immediate medical attention after an incident is most beneficial for patient recovery. Since TBI is a sudden injury, post-therapeutic strategies are the only viable approach to therapy.

"Preliminary data show a significant reduction in oxidative stress levels when GCEE is administered 10 minutes post TBI," Reed said, adding that early management of injury is the best preventative measure of progressive secondary injury.

Reed and her fellow researchers will investigate a potential glutathione (GSH)-based therapeutic at several time points to determine the best course of protection against secondary TBI injury.

In addition to increasing scientific knowledge in the field of TBI research, Reed said the project would enhance the research environment for ECU students – two graduate students and six undergraduate students will assist in the research – and better enable students from Kentucky, a "traditionally underrepresented" state in biomedical sciences, to advance in biomedical programs.

## Bioinformatics Program Rides Wave of DNA Revolution in Medical Science

With its unique bioinformatics degree option for undergraduates, EKU is poised at the leading edge of a revolution in health care – one that will embrace DNA analysis to personalize medicine, improve the quality of care and bring down costs.

Two academic departments at Eastern – Biological Sciences and Computer Science – have joined efforts to establish the academic program, the only one of its kind for undergraduates in Kentucky. The initiative, which is intended to prepare students for the evolving changes in biomedical science, has been aided by more than \$2 million in funds from the National Institutes of Health (NIH) over the past decade.



Bioinformatics is defined as the analysis of biological information using computers and statistical techniques, or the science of developing and utilizing computer databases and algorithms to accelerate and enhance biological research. The rapidly growing field was the subject of a lengthy feature entitled “A Genome Deluge” in the business section of the Dec. 1 issue of the New York

Times. The article points out that within a year or two, the cost of determining a person’s complete DNA blueprint is expected to fall below \$1,000, a threshold unthinkable just a few years ago but one that does not take into account the cost of making sense of the data.

In other words, “we have the information, but can we decipher it?” said Dr. Patrick Calie, a veteran professor of biology who is coordinating the bioinformatics initiative at EKU. “That’s where bioinformatics comes in.”

The Times article cited Isaac Ro, an analyst at Goldman Sachs, who wrote in a recent report, “We believe the field of bioinformatics for genetic analysis will be one of the biggest areas of disruptive innovation in life science tools over the next few years.”

The implications are profound, especially concerning diseases such as cancer, diabetes and Alzheimer’s, among others, and conditions such as hypertension and high cholesterol. “DNA is a potential predictor of the probability of having particular diseases later in life,” Calie said. “For example, some people may have signatures in their DNA that suggest they are more prone to cancer. Or, if they have particular genes that pre-dispose them to Alzheimer’s, they can be given drugs early on before symptoms occur. DNA analysis will allow health care providers to target those folks at highest risk, based on what their genes tell us, and reduce the need to screen so many people.”

## Fire & Safety Program Featured in Magazine

EKU’s Fire and Safety Engineering Technology Program was prominently featured in an article entitled “False Convictions: The New Science of Arson” in the November 2011 issue of Discover magazine.

The article detailed how fire researchers “have shattered dozens of arson myths in recent years” and investigates why the American court system has lagged behind. The lead photograph for the eight-page spread was taken at an EKU test burn site.

Some of that research has taken place at the EKU fire lab, as the article vividly described an exercise involving EKU faculty, graduate students and others.

After quoting several experts and studies, the article concludes that “better science is beginning to produce better justice.”

The article was authored by Douglas Starr, co-director of the graduate programs in Science and Medical Journalism at Boston University. His most recent book is “The Killer of Little Shepherds: A True Crime Story and the Birth of Forensic Science.”

This is not the first time EKU’s Fire and Safety Engineering Technology Program has been in the national spotlight. Last year, a crew from ABC TV’s “20/20” came to the Richmond campus and spent a day at the University’s test burn site near the Ashland Building, looking at how some artifacts of a fire could be viewed as indicators of arson.

## PLCs Help EKU Align Core Academic Standards

Seven interlocked Professional Learning Communities (PLCs) are at the heart of an effort at EKU to align key general education and teacher preparation courses to Kentucky Core Academic Standards.

Eastern established the Curriculum Alignment for Retention and Transition (CARTE) as a response, in part, to Kentucky Senate Bill 1, which deals with college preparedness at the secondary level and retention and graduation rates at the college/university level.

An Executive Professional Learning Community includes the two directors of EKU’s Teaching and Learning Center, Dr. Hal Blythe and Dr. Charlie Sweet; and two prominent faculty from the College of Education, Dr. Dorie Combs, chair of the Department of Curriculum and Instruction and Dr. Ginni Fair, director of EKU’s Thinking and Communicating across the Curriculum Program. That quartet is joined by one representative each from five areas: Teacher Preparation, English/Reading, Mathematics, Natural Sciences, and Social Sciences.

## EKU Part of Tillman Military Scholars Program

EKU is one of 14 colleges and universities nationwide selected to participate in the Tillman Military Scholars Program for the 2012-13 academic year.

The program honors Pat Tillman, who left a successful professional football career to join the U.S. Army and who later died in combat in Afghanistan. Providing scholarships that cover tuition as well as other needs, such as housing and child care, the program supports the nation’s active and veteran servicemembers and their spouses by removing financial barriers to completing an academic degree.

“The Pat Tillman Foundation is partnering with each of these institutions because each is a leader in support services for student veterans, active servicemembers and their families on campus,” according to a news release from the Foundation.

Service members from all branches of the military, both pre- and post-9/11 service, who wish to start, finish or further their education are eligible to apply for a Tillman Military Scholarship. Spouses and survivors of service members are also eligible to apply.

# KCTCS GOOD NEWS REPORT

HIGHER EDUCATION BEGINS HERE

JANUARY 2012



WKCTC President Barbara Veazey (fourth from left) with Second Lady Jill Biden (center) and other Top 10 Community College Presidents.

PHOTOS: PATRICE GILBERG

## ASPEN INSTITUTE NAMES WKCTC TOP FIVE COMMUNITY COLLEGE IN AMERICA CHOSEN FROM NATION'S 1,200 COMMUNITY COLLEGES

West Kentucky Community and Technical College (WKCTC) was named a “Finalist with Distinction” by the Aspen Institute’s College Excellence Program. WKCTC was awarded a trophy and \$100,000 as part of the Aspen Prize fund, at the National Press Club in Washington, D.C., on December 12.

“This is an incredible honor for WKCTC and our System. I commend Dr. Veazey and the entire WKCTC family on receiving this much-deserved recognition,” said KCTCS President Michael B. McCall.

The announcement follows a rigorous, yearlong effort by The Aspen Institute to assemble and review an unprecedented collection of data

on community colleges and the critical elements of student success: student learning, degree completion and transfer, and equity and employment/earnings after college.

This is the first national recognition of extraordinary accomplishments at individual community colleges. The Prize celebrates these top performers, thereby elevating the community college sector nationwide and helping other institutions understand how to improve outcomes for the seven million students—nearly half of all undergraduates in postsecondary education—working toward degrees and certificates in community colleges.



KENTUCKY COMMUNITY & TECHNICAL COLLEGE SYSTEM

# KCTCS GOOD NEWS REPORT

HIGHER EDUCATION BEGINS HERE

JANUARY 2012

WKCTC President Barbara Veazey thanked the Aspen Institute and its donors for creating the award and bringing recognition to community colleges across the nation. “This recognition shows that set criteria have been used, data has been evaluated, and specific results have been shown for the work done by so many outstanding community colleges,” Veazey said. “We’ve tried to give a voice to the many success stories we share each day, but this recognition has allowed them to be shared at a national level.”



The Honorable John Engler, left, and the Honorable Richard Riley present The Aspen Institute’s “Finalist with Distinction Award” to WKCTC President Barbara Veazey.

The announcement involved leaders from across the fields of education, business, labor, and philanthropy, including Second Lady Dr. Jill Biden, a longtime educator; Secretary of Education Arne Duncan; Aspen Institute President and CEO and Steve Jobs’ biographer Walter Isaacson; John Engler, former Governor of Michigan and President of the Business Roundtable; and highly respected former Secretary of Education and South Carolina Governor Richard Riley.

The naming of the winner follows an announcement of the 10 finalists in September and the project’s unveiling at the White House Community College Summit in October 2010.

## ABOUT WEST KENTUCKY COMMUNITY AND TECHNICAL COLLEGE

WKCTC’s graduation/transfer rate significantly exceeds the national average, achieved through an astonishing 23 percent improvement over five recent years. The college achieves excellence by focusing equally on improving student learning in core skills—overhauling reading instruction and remedial math—and thoughtfully connecting programs to regional jobs, from credentials that fuel a large health care sector to the nation’s first Marine Technology associate’s degree.

“West Kentucky Community and Technical College’s jump in graduation and transfers is astonishing. It’s incredibly rare in higher education. And the improvements are serving students equitably. The three year graduation and transfer rate for minorities is 24 percent above the national average. These results are inspiring,” said Aspen’s Wyner.

Improving student learning has helped WKCTC graduate more students

with the knowledge they need to secure jobs or transfer to four-year schools. National experts called WKCTC’s processes for assessing and improving learning outcomes “excellent.” They were especially impressed with faculty efforts to use and act on learning gaps revealed by commonly administered tests and a curriculum-wide initiative to boost students’ reading skills. Partly as a result of this program, evidence shows students who transfer to four-year schools from WKCTC do better in their junior and senior years than other Kentucky students.

“By working across the college to improve student learning and skills,

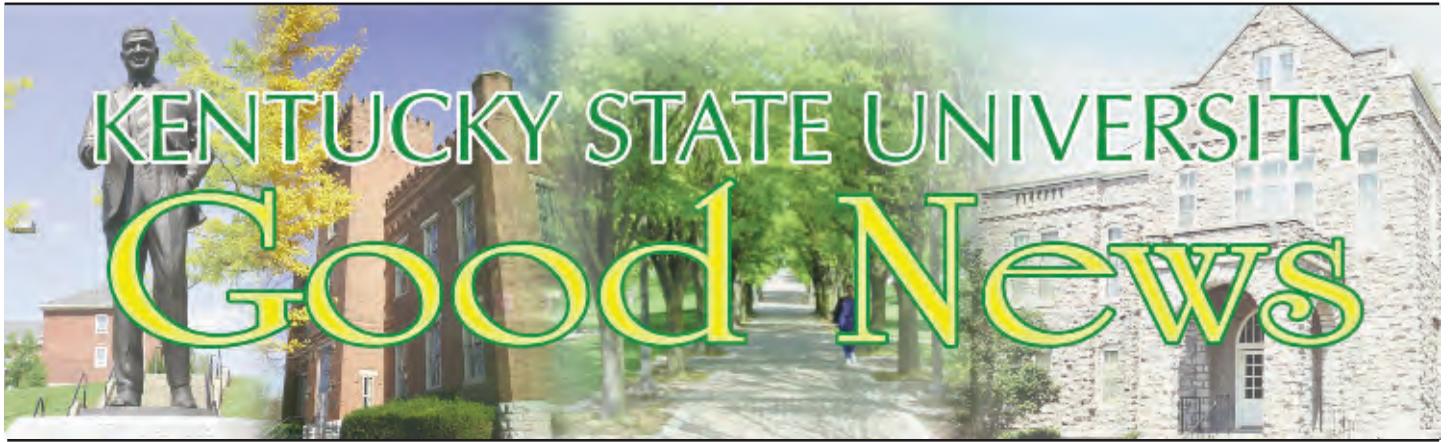
WKCTC has accomplished amazing things for its students,” said Wyner. “College leaders and instructors across campus take responsibility for improving student learning and work hard to identify and eliminate barriers to student success. Their record shows one thing very clearly: the strategy is working.”

The colleges designated “Finalists with Distinction” include: Lake Area Technical Institute (Watertown, SD); Miami Dade College (Miami, FL); Walla Walla Community College (Walla Walla, WA); and West Kentucky Community and Technical College (Paducah, KY). The top prize winner, Valencia College, received \$600,000.

The original pool of 1,200 community colleges was pared to 120 in April, based on a data formula created with assistance of an expert advisory committee. The data focused on college completion, the improvement of completion performance over time, and equity for under-represented students, based primarily on institutional data submitted to the federal government annually.

Earlier this year, The Aspen Institute College Excellence Program selected seven other KCTCS colleges among the nation’s 120 best community colleges—top 10 percent in the country. The colleges include: Ashland Community and Technical College, Big Sandy Community and Technical College, Hazard Community and Technical College, Madisonville Community College, Maysville Community and Technical College, Somerset Community College and Southeast Kentucky Community and Technical College.





Kentucky State University

[www.kysu.edu](http://www.kysu.edu)

February 2012

## Green 2 Gold Helps Students Develop Work Ethic, Pay Bills

The Frankfort Regional Medical Center offered Kentucky State University nursing student Taneisha Hampton a job after she worked there two semesters under the Green 2 Gold program.

Devon Archer developed an appreciation for university leadership and KSU's relationship with the Frankfort community during her stint working in the President's Office.

And Brittney Benson, a participant who worked in the Green 2 Gold office, knows expectations of G2G students are high because expectations when they enter the job market will be high.

For these students, the work experience gained in Green 2 Gold was a bonus to the foremost goal of paying their bills.

### ***Expectations High For Green 2 Gold Students***

Green 2 Gold puts students to work on and off campus in order to help them pay off balances with the university. The students complete time sheets and receive up to \$1,800 per semester, which is directly credited to student accounts, depending on their financial need.

About \$89,000 was credited to student accounts for the fall 2011 semester for 82 students. Nineteen students were return participants from the 2010-2011 school year.

Arthur McKee is usually the first person a student visits once referred to Green 2 Gold. McKee, the university's employment services liaison, runs the program with the administrative assistance of Annette Bruce in the Office of Career Counseling, Placement and Cooperative Education.

KSU President Mary Evans Sias gave the auxiliary work program the name "Green 2 Gold" and hired McKee in 2010. A similar auxiliary work program had existed for at least a couple of years.

McKee honed policies and procedures, found more placements on campus and found placements off campus.

The program's screening process starts when a student walks through the door, McKee says. Punctuality and appropriate attire are required of G2G students. McKee admits that he is candid with students, correcting any potential problems before students are placed in jobs.

"Here they get the opportunity to learn in a nurturing environment," he says.

There are other requirements. The students must have at least a 2.0 grade point average and a current balance. It is also required that they apply for, and make the most of, their financial aid.

Once McKee has screened students, often talking with them about their career goals, they are sent to meet with potential bosses. Not every student receives a placement that aligns with his or her career goals. But McKee says he plans to add a résumé component soon.

McKee is working to expand the program and create more placement options. University staff and businesses in the Frankfort community have been eager to hire G2G students.

Bev Young, director of Human Resources at Frankfort Regional Medical Center, says the hospital's Green 2 Gold students have been exceptional.

"They're all so friendly and eager to learn," Young says.

Most departments in the hospital have become privy to the program and want the hospital to hire more Green 2 Gold students, she says, adding that the hospital got involved with Green 2 Gold to strengthen its relationship with the university.

Hampton was the hospital's first G2G student employee. Young says the hospital wants to hire her as a nurse once she graduates.

Kendis Smith, counselor and coordinator of KSU's Disability Resource Center, says most of his Green 2 Gold students have been a tremendous help in the office. Green 2 Gold students assist in tasks including note taking, organizing files and converting books to electronic copies.

"I'm sure it's a tell-tale sign about what we produce at the university as a whole," Smith says. "We are producing professionals."

### ***Job Prospects Good For Nursing Student***

Junior Taneisha Hampton of Indianapolis, Ind., went to McKee after hearing about Green 2 Gold in a student town hall meeting. The nursing student was placed in the education

department at Frankfort Regional Medical Center, where she became involved in tasks such as arranging CPR classes during the first semester of her sophomore year.

At that time, Hampton thought she wanted a career in a hospital emergency room. But the Green 2 Gold placement exposed her to other possibilities.

Hampton started assisting in the Wound/Ostomy Program at the hospital and decided to strive for a career as a nurse in wound care.

“Some people think it’s gross, but I like it,” she says.

Hampton continued at the hospital during the spring semester as a Green 2 Gold participant.

She got a job as a building assistant on campus for her junior year and was no longer eligible for Green 2 Gold, but she returned to the hospital as a volunteer.

The human resources director praises Hampton for her work ethic and references the hospital’s numerous awards as one of the leading employers in the state. Young says the hospital only accepts the very best employees.

“We want her back,” Young says of Hampton. “And we want her as a nurse.”

Hampton says she’s excited about working at Frankfort Regional, and she is grateful for the Green 2 Gold placement that provided her with her first experience working inside a hospital.

“It was much more than what I expected,” she says.

### ***Business Student Surprised By Cost Of College***

Devon Archer says the days leading up to Homecoming were her favorite while working in the President’s Office as a senior business student in Green 2 Gold.

There were so many details to consider, she says. There were invitations to be mailed and planning for events that Archer never knew occurred for alumni, staff and others throughout the community.

“That was an experience in itself,” Archer says. “It was a great learning experience, working in the President’s Office.”

Archer, who hails from Detroit, graduated in December with a bachelor’s degree in business management, then enrolled this spring semester in the Master of Public Administration program.

Archer says she never would have made it through her undergraduate years without the help of Green 2 Gold.



***Taneisha Hampton***



***Devon Archer***

“I didn’t realize how much classes cost,” she recalls. “And that helped tremendously.”

Archer says she didn’t know where she’d get the money to finish paying for school. She had little time to think about options, such as finding a job on her own, because the financial aid staff sent her directly to Green 2 Gold.

“I was kind of nervous about working in the

President’s Office at first,” she says.

The staff there welcomed her, however, and immediately made her feel comfortable.

Archer says she didn’t realize how much KSU’s president worked with community leaders and other university presidents on behalf of KSU.

“Just because you don’t see her face all the time – she’s always trying to help us out,” Archer says.

### ***Sophomore Student Appreciates Preparation For Real World***

Brittney Benson, a sophomore nursing student, started working in the Green 2 Gold office during the fall 2010 semester. She helped answer telephones, made copies and assisted the students.

Benson did not hesitate when asked about the high expectations of students in Green 2 Gold. They must dress appropriately, she says. And

McKee requires them to show up on time.

“That was one of Mr. McKee’s big things,” Benson says.

Students were also expected to limit cell phone use and to avoid wearing hats.

“He’s trying to get us prepared for the real world,” she says.

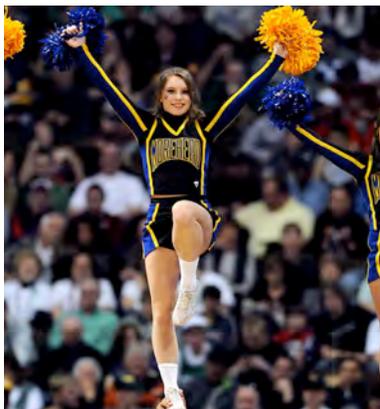


***Brittney Benson***



We aspire to be the best public regional university in the South.

February 2012



**MSU captures national cheerleading championship**

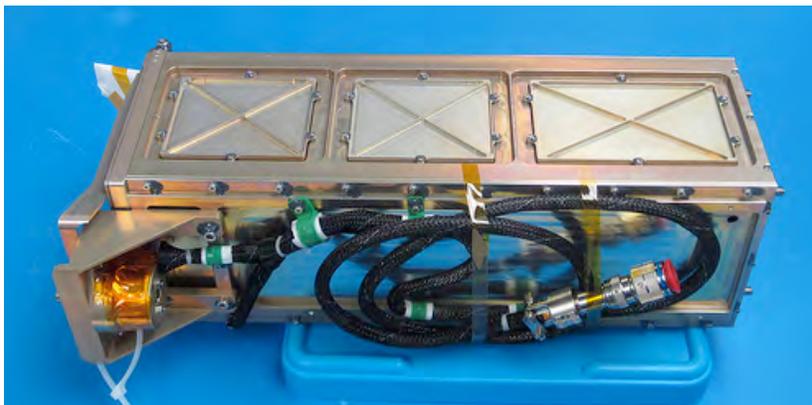
MSU's coed squad captured a national championship January 14, 2012, at the College National Cheerleading Championships. With the win, MSU's coed squad captured its 21st title. The all-girl squad and four-person partner stunt all-girl team both finished third.

The title increased Morehead State's total to 32 national championships.

**MSUPD ranked 1<sup>st</sup> in safety**

MSU's Police Department has been recognized by StateUniversity.com as ranking first in Kentucky for Highest Safety Rating with a 93.46.

StateUniversity.com, a leading Web site for college information, released the rankings of the safest colleges and universities in the U.S. The Safest Schools findings are based on incidents of campus crime as reported by campus safety officials.



**MSU delivers satellite to NASA for upcoming launch**

MSU's Space Science Center staff and students delivered a satellite to NASA's Launch Services Program Friday, Jan. 6, marking a major milestone in the Space Science Nanosatellite program. The Cosmic X-Ray Background Nanosatellite (CXBN) was developed by MSU and partners during the past year and passed rigorous space environment testing and a series of design reviews, culminating in the flight readiness review held on December 31, 2011.

CXBN is an astrophysics mission whose goal is to provide an improved measurement of the universe's X-Ray background and could help resolve a mystery in modern cosmology-- the origin of the cosmic X-ray background. In Big Bang cosmology, the universe was created 13.8 billion years ago and relic radiation across the electromagnetic spectrum that the event produced is studied to lend insight into the physics of the early universe. The relic radiation peaks in the microwave part of the spectrum with a smaller secondary peak in the X-ray regime. While the microwave background radiation is well understood having been studied since the mid-1960s, the X-ray background is less well understood and few measurements exist that allow astronomers to interpret its origin. The existing measurements are imprecise and differ from each other significantly, a condition which precludes astronomers from knowing which of the physical models developed to explain the X-ray background is correct. The CXBN mission addresses a fundamental science question that is clearly central to our understanding of the structure, origin, and evolution of the universe by potentially lending insight into both the high energy background radiation and into the evolution of primordial galaxies.

The CXBN project represents an important benchmark for MSU's Space Science program-- a satellite designed, built, tested and to be operated by staff and students. CXBN will be launched from Vandenberg Air Force Base, Vandenberg CA in August of 2012.



**Vet Tech program achieves 100 percent pass rate**

Morehead State University's Veterinary Technology Program achieved a 100 percent pass rate on the Veterinary Technician National Examination (VTNE) for the class of 2010 and 2011.

VTNE is a comprehensive national exam given to veterinary technician graduates throughout the country to validate the competency of technicians for licensure within each state.

"The 2010 and 2011 classes demonstrated outstanding academic aptitude and clinical skill during the two year training program at MSU," said Dr. Phil Prater, professor of veterinary technology.

"Some graduates in this class are currently working in private veterinary practices, colleges of veterinary medicine, and research and development of veterinary products and services. Others in the class have remained at MSU to finish the requirements for their bachelor's degree in veterinary technology."

According to Dr. Prater, the faculty and staff of the MSU Veterinary Technology Program are extremely proud of the accomplishments of its students, and will continue to strive to make the graduates of the MSU Veterinary Technology Program the very best in the nation.

For further information on the program, contact Amy Staton, veterinary technologist, 606-783-2328 or e-mail at [a.staton@moreheadstate.edu](mailto:a.staton@moreheadstate.edu).



**Alumnus participates in Iraq's first liver transplant**

MSU graduate Brandon Gulley (third from left) along with Dr. Assad Hassoun and a surgical team from California Pacific Medical Center (CPMC) in San Francisco performed the first liver transplant in Iraq at Zheen International Hospital in Erbil on Nov. 29.

Gulley currently serves as the lead sonographer at the CPMC's Pacific campus. He is a 2004 graduate with a B.S. degree in radiologic sciences.

**Innovation Center announces funding for energy and tech businesses**

MSU's Regional Innovation Center will help area businesses apply for Kentucky grant funds. The funds are available for two kinds of enterprises. First, the Kentucky New Energy Venture (KNEV) Fund is available for new energy ventures. The fund is a state-backed, venture capital-like fund that invests in alternative and renewable energy projects. The goal of the KNEV is to support the development of entrepreneurial technology companies in Kentucky. Funding for KNEV is provided by the Kentucky Cabinet for Economic Development, Office of Commercialization and Innovation.

Counties available for funding include Bath, Breathitt, Johnson, Knott, Lee, Letcher, Owsley, Perry, Pike, Powell, Magoffin, Martin, Menifee, Morgan, Montgomery, Nicholas, Rowan and Wolfe.



**MURRAY**  
STATE UNIVERSITY

## Information Systems awarded "Model of Efficiency" distinction



Recognized in the November/December 2011 issue of *University Business* as a Model of Efficiency program, Murray State's information

systems department is utilizing new technologies to improve response time and reduce costs of its disaster recovery program. This has resulted in collaboration with Northern Kentucky University to reduce system recovery time following a disaster. MSU is capitalizing on the high-speed data network that connects the state universities to develop a reciprocal disaster recovery solution. Both universities benefit from having their data systems replicated 300 miles from their campuses.

## Music business program receives scholarships from industry organization

Murray's music business program is the recipient of two scholarships from the International Entertainment Buyers Association (IEBA), totaling \$10,000. The scholarships will be established in honor of Steve Tolman and Mike Smardak, and will be available to students who are looking to pursue a career in music business. Tolman is past president of IEBA and current president of the Nashville Association of Talent Directors. He is co-director of LogiCom Project Management in Nashville. Smardak is president and founder of Outback Concerts, also based in Nashville.

## Murray grad shines in science and art

By mixing science and art, Brianna Cassidy, May 2011 MSU graduate, placed second in the North America Student Advisory Council Third Annual Student Art Contest. Her painting was displayed at the 32nd Annual North America Society of Environmental Toxicology and Chemistry meeting. Her painting, "The Logan Influence," recognizes her adviser's, Dr. Bommanna Loganathan, guidance through years of research with compassion and patience. Cassidy is now enrolled in an analytical chemistry Ph.D. program at the University of South Carolina and is focusing on art conservation and restoration through hyperspectral imaging.



## Sarah Wang chosen as a Most Promising Minority Student

The American Advertising Federation recognized Sarah B. Wang, a senior advertising student at MSU, as a Most Promising Minority Student. She is one of 50 students from across the United States to receive the recognition. Students attend a seminar in New York City where they meet advertising professionals, and learn job search skills along with more about the advertising industry.



## Students excel at Kentucky Academy of Science

A group of Murray State University science faculty and student researchers participated in the 2011 meeting of the Kentucky Academy of Science. More than 600 students and faculty from across the state attended the meeting, hosted at Murray State. MSU had nine wins in the undergraduate division and six wins in the graduate category. MSU students excelled in agricultural sciences, botany, cell and molecular biology, chemistry, ecology and environmental science, engineering, geology, mathematics, microbiology, and physiology and biochemistry.

## Yarali is an International Academy, Research and Industry Association Fellow



Dr. Abdulrahman Yarali, associate professor in the Telecommunications Systems Management (TSM) program at Murray State, was selected as a fellow of the International Academy, Research and Industry Association (IARIA). Yarali was chosen based on the recommendation of IARIA fellows as well as his major contributions to the organization over the years. IARIA fellows are recognized for their outstanding scientific research results, exceptional scientific contributions to the IARIA events and continuous leadership roles in IARIA conferences.

## KET partners with MSU's WKMS for broadcasts

KET recently announced that it is beginning a partnership with public radio stations in Kentucky to air KET series and programs. WKMS, MSU's National Public Radio outlet, is one of two stations in the state to be a part of the initial launch. WKMS airs KET's *One to One* on Mondays at 6:30 p.m., *Kentucky Tonight* at noon on Tuesdays, and *Connections with Renee Shaw* at 6:30 p.m. on Wednesdays.

## MSU professor is Art Educator of the Year for Kentucky



Dr. Camille Serre, MSU professor in the department of art and design, was named the 2011 Art Educator of the Year for Kentucky, recognizing her excellence and dedication in promoting quality art education at all levels. She heads her department's art education program and her international professional experience includes teaching in England and France. Serre has been teaching art for almost 45 years. She will now be nominated for the National Art Education Association Southeast Region Award.

## MSU-Qingdao cooperative ventures underway

Murray State University (MSU) representatives traveled to China during the fall semester to extend its already strong relationship with Qingdao Agricultural University (QAU) in the Shandong Province. Discussions of faculty and student exchanges, a promising equine program and degree offerings were explored during the visit. Murray and Qingdao share a mutual interest in establishing a Murray State M.B.A. program there and hosting QAU faculty in communications and ESL (English as a Second Language) here. The first exchange is slated for this spring when Qingdao sends a communications staff member to shadow Murray's faculty. The first action step for Murray's equine program is to set up a QAU faculty training on campus next summer. Specific equine-related potential areas of interest between the two universities, in addition to the summer horsemanship training, include sending MSU faculty and graduate students to Qingdao to teach a horsemanship course there, working toward QAU herd improvement and offering Murray State equine-focused post-baccalaureate or master's degree programming there along with regular degree courses.

## Institutional advancement brings in 14 state awards

Murray State University's institutional advancement (IA) division was the recipient of three Grand Champion Awards, four Awards of Excellence and seven Special Merit recognitions from CASE-Kentucky (Council for Advancement and Support of Education-Kentucky) at its winter conference. Specific awards for the total IA organization include:

### University Communications

- Grand Champion - *Roundabout U* television show
- Grand Champion - *The Review* news tabloid
- Grand Champion - *Twitter Ad* special recruitment advertisement
- Award of Excellence - *We Are Racers* specific branding campaign
- Award of Excellence - *Facebook "likes"* campaign
- Award of Excellence - *Points of Pride* annual report
- Special Merit - *Murray State University Website* overall design and implementation
- Special Merit - *MSU Today* electronic news page
- Special Merit - *Shuffle Video* for social media

### Development

- Special Merit - *GOLD* direct mail (Graduates of the Last Decade)
- Special Merit - *1922 Society* printed publication
- Special Merit - *Murray Legacy Comprehensive Planned Giving Program* printed publication
- Special Merit - *ACRES campaign for Hutson School of Agriculture* printed publication

### WKMS

- Award of Excellence - *The Front Page* radio show





# GOLD RUSH

FEB. 2012 NORTHERN KENTUCKY UNIVERSITY



## GO FIGURE

\$634,385

Amount NKU students have distributed to area nonprofits through the Mayerson Student Philanthropy Project since its creation 11 years ago.

1,213,950

Number of page views the NKU homepage received in January.

3

How many NKU students competed in the Miss Kentucky USA pageant last month.

## UNIQUE PARTNERSHIP SENDS NKU STUDENTS BACK TO HIGH SCHOOL

When students in the NKU Master of Social Work program started last semester, they were surprised to be returning to a high school classroom.

The 15 MSW students and their faculty are part of an innovative Dixie Mentorship program at Dixie Heights High School. Classes are held at Dixie and each NKU student is assigned an "at-risk" Dixie student. The NKU students quickly became aware of issues their mentees were facing that even the high school administration wasn't aware of.

"At our first meeting my mentee told me that he was living out of a duffle bag in the woods near the football stadium," one mentor said. "I was a little shocked but when I reported it to the administration, they found him a place to live."

The MSW students in the program have the opportunity to directly address Dixie administrators and influence future policy making and support systems at the school.



The program provides a unique opportunity, as social workers rarely get to experience the inner workings of their clients' environment. The mentors are exposed to a variety of experiences and opportunities to work with students, but also to work with school staff, learning the behind-the-scenes issues of serving at-risk students.

Program coordinators say the at-risk students are responding positively to the mentors for at least two reasons: one-on-one contact focuses on the at-risk student's specific needs and concerns, and the mentors are young adults in tune with children and youth. They hope to get other schools involved.

## PINPOINTS

OWENSBORO



**JAMIE STONE** is a senior public relations major from Owensboro. She graduated from Apollo High School in 2007, and transferred to NKU in 2010. Although NKU wasn't exactly in her back yard, she says she wouldn't trade her experience at Northern for a university closer to home. Jamie says what she enjoys most about NKU is the wide variety of organizations available for students. As a senior, she is hard at work to finish strong, but loves being involved with Kappa Delta, Norse Force and other campus organizations. Jamie is the daughter of Kenny and Rebecca Stone.

## COLLEGE CORNER

HAILE/US BANK COLLEGE OF BUSINESS

Carol Cornell, director of the NKU Small Business Development Center, has been inducted into the Kentucky Small Business Development Center's 2011 Million Dollar Loan Club.

The club recognizes small business development centers across the commonwealth whose directors have secured at least \$1 million in loans for their clients. Cornell's success extended well past a million dollars in 2011 as she brought essential business

development support services to numerous clients that represent a variety of business sectors, including early-stage technology clients.

Cornell provides clients with no-cost, confidential business consultation, business development seminars and research to assist clients in making critical business decisions. She oversees the awarding of loans from the US Small Business Administration.

# UPTECH TO AID NKY GROWTH BY FUELING 50 STARTUP COMPANIES

With a vision to fuel economic growth in Northern Kentucky, a super business accelerator called UpTech has been created to provide startup companies with what every new business seeks – financial and developmental support.

UpTech is committed to funding 50 of the world's best and brightest early-stage informatics companies. It will invest up to \$100,000 into each of the 50 winning startups that demonstrate their commercial potential through an application and review process. UpTech will also provide each with six months of free, premium office space and essential business support.

Winners will also receive support from two student interns and a graduate assistant from NKU's College of Informatics, along with campus facilities for events and seminars.

"With one of only a handful of informatics colleges in America, Northern Kentucky is poised to develop as an international leader in the informatics field," said NKU President James Votruba. "This initiative is the next step in that development. Attracting innovative companies – and the high-paying jobs that come along – to our region will be critical to our continued growth and prosperity."

## THE SCOREBOARD



The NKU men's and women's basketball teams have raced to matching 15-4 records to start the season, recording historic victories along the way. The men's team shocked West Virginia in a 77-74 exhibition win Nov.

4 and then recorded its 700th all-time win last month. Senior guard Casse Mogan leads the women's team in scoring, steals and assists. She helped the Norse record their 800th career win against Bellarmine in January.

## FACULTY FOCUS

Four NKU professors and three graduate students have banded together to examine diversity in the Northern Kentucky region. Enacting a program called "Dialoguing about Diversity," the researchers hope to gain a better perspective about what kinds of diversity are present in the region and how different diverse groups communicate.

"I believe this research is important," said project director and NKU Associate Professor of Communication Jimmie Manning. "This data will allow many different groups the data they need to help Northern Kentucky grow as a thriving, contemporary metropolitan region."

The project is funded through an NKU University-Community Partnership Grant.

## BRIEFS

### NKU NAMES HOMECOMING KING, QUEEN

Seniors Jeffrey Weckbach (Alexandria) and Brittany Jo Hall (Owensboro) have been crowned 2012 Homecoming king and queen. Weckbach is a quadruple major studying political science, economics, criminal justice and philosophy. He is president of Phi Beta Lambda, vice president of Golden Key International Honour Society and vice president of Alpha Tau Omega fraternity. Hall is an organizational leadership major and criminal justice minor. She was crowned Homecoming princess in 2012 and has served as president of Delta Gamma sorority. **MORE:** [homecoming.nku.edu](http://homecoming.nku.edu)  
**MORE:** [homecoming.nku.edu](http://homecoming.nku.edu)

### CHASE LAW HAS AN APP FOR THAT

The NKU Chase College of Law has released a universal mobile touch-screen guide to the college. The app allows students to stay informed about upcoming Chase events; explore the law library catalog; or gain secured access to job postings, exam numbers and other exclusive law school content. The app was designed by NKU's Office of Information Technology and offers additional options such as an extensive storehouse of lecture downloads, tutorials and other presentations. The app is free and available for download at the iTunes app store.  
**MORE:** [tinyurl.com/NKUGIJobs](http://tinyurl.com/NKUGIJobs)

### GRANT HELPS WASTE MANAGEMENT EDUCATION

NKU has received a \$22,000 grant from the AT&T Foundation to support school-based and field-based programs in waste management education in five local middle schools. The project teaches students to reduce, reuse and recycle. Along with classroom instruction, student teams inventory school resource conservation, recycling and item disposal. Students will then propose a school improvement project. This work is part of the Kentucky Green and Healthy Schools Program, a nationally recognized, state-wide program that is the only one of its kind in the nation.  
**MORE:** [tinyurl.com/NKUmiddleenviro](http://tinyurl.com/NKUmiddleenviro)

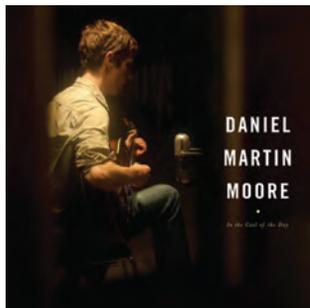
### NKU/MURRAY STATE PARTNERSHIP RECOGNIZED

NKU and Murray State University have been recognized with the University Business' Model of Efficiency Award for their joint disaster recovery solutions. Recipients are judged on guidelines including efficiency challenges faced; solutions achieved through technology, business process or both; time and cost savings demonstrated; and the ability to replicate efficiency improvements at other colleges and universities. The partnership allows each university to use their existing data center to provide business continuance services for the other institution.  
**MORE:** [tinyurl.com/NKUmurray](http://tinyurl.com/NKUmurray)

## ALUMNI NEWS

### O His Soul

It would be difficult for *Parenthood*, NBC's serial drama based on the 1989 hit movie of the same name, to be as dramatic as real parenthood. Which is why the show's producers enlisted singer-songwriter Daniel Martin Moore and his haunting song "O My Soul" in a recent episode. The 2004 NKU graduate originally released the song on his latest album, *In the Cool of the Day*, early last year on Sub Pop records. Check him out at [danielmartinmoore.com](http://danielmartinmoore.com).



## UK Creative Writing Professor, Nikky Finney, Wins Prestigious Award

Recently, University of Kentucky creative writing Professor Nikky Finney won the 2011 National Book Award in Poetry for her recent work, "Head Off & Split." Finney is UK's first National Book Award winner.



"Her poems, carefully and finely honed words and passages strung together like beautiful pearls, combine common experiences, searing emotions and sometimes uncomfortable history to speak truth in uncommonly beautiful and resonant ways. Today, what students and her colleagues at UK have known for years, a nation now understands – the treasure that is Nikky Finney and her poetry, which reaches and touches us all," said University of Kentucky President Eli Capilouto.

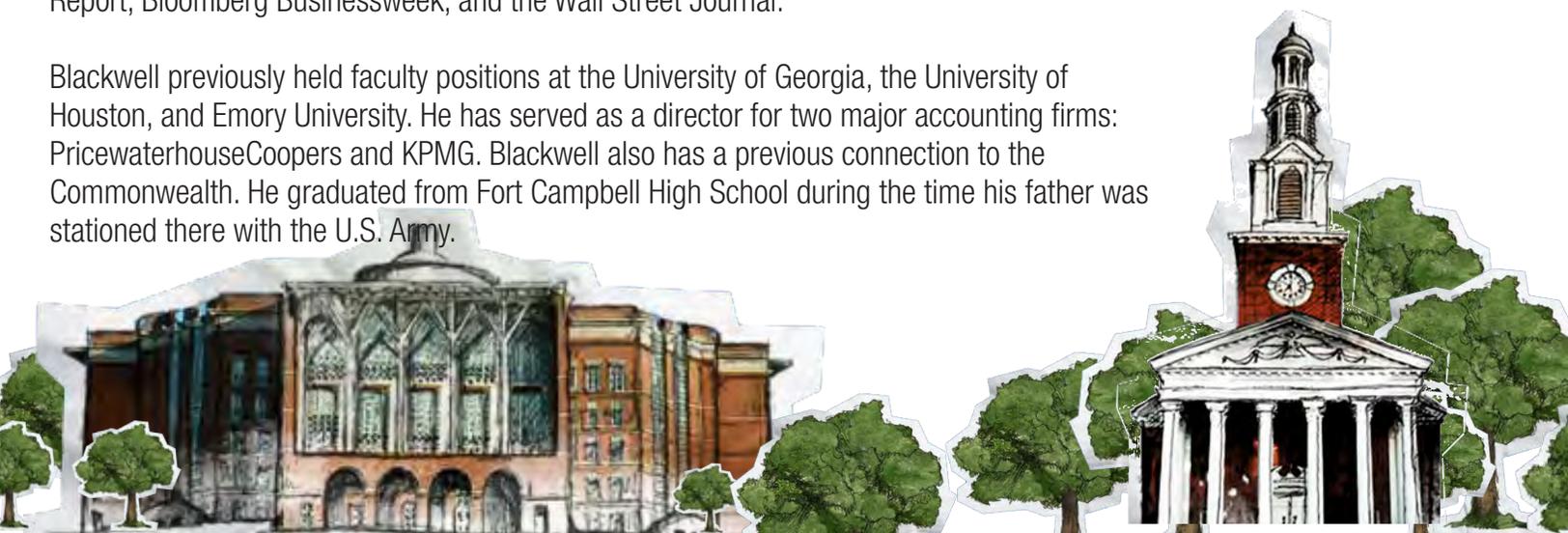
The National Book Award website says the poems in Finney's "Head Off & Split" "sustain a sensitive and intense dialogue with emblematic figures and events in African-American life: from Civil Rights matriarch Rosa Parks, to former Secretary of State Condoleezza Rice, from a brazen girl strung out on lightning, to a terrified woman abandoned on a rooftop during Hurricane Katrina.

## Texas A&M's Blackwell to Lead Gatton College

David W. Blackwell, former associate dean for graduate programs at Texas A&M University's Mays Business School, has been tapped as the new dean of the University of Kentucky Gatton College of Business and Economics.

Blackwell earned his bachelor's degree in economics and his doctoral degree in finance from the University of Tennessee, Knoxville. Under his leadership, the Mays Business School's MBA programs were highly ranked on a consistent basis in national quality assessments done by a number of leading publications, including Financial Times, U.S. News and World Report, Bloomberg Businessweek, and the Wall Street Journal.

Blackwell previously held faculty positions at the University of Georgia, the University of Houston, and Emory University. He has served as a director for two major accounting firms: PricewaterhouseCoopers and KPMG. Blackwell also has a previous connection to the Commonwealth. He graduated from Fort Campbell High School during the time his father was stationed there with the U.S. Army.



## UK BioPharm Complex Completed with Opening of Two Research Floors

The previously “shelled,” top two floors of the University of Kentucky’s BioPharm Complex were dedicated at a formal ceremony recently, capping construction on the 286,000 square-foot facility. The building is home to the UK College of Pharmacy, the nation’s 5th-ranked pharmacy school. The fourth floor will house College of Pharmacy researchers while the fifth floor will have a cancer research focus, with faculty and researchers from the Markey Cancer Center utilizing the space.



“This is a stunning facility,” said UK President Eli Capilouto. “These two new floors hold promise for the future of the University’s research enterprise. It provides us the type of leading-edge facilities that will help UK retain and recruit some of the best scientific minds in the world – research leaders who will help us improve health care for Kentuckians across the Commonwealth.”

Though construction on the fourth and fifth floor was only recently completed, the new space is already paying dividends. The UK College of Pharmacy and Markey Cancer Center have partnered to recruit two high-profile researchers to join the faculty.

Peixuan Guo, one of the top three nanobiotechnology experts in the world, will share a joint appointment with the UK College of Pharmacy and Markey Cancer Center. He will be bringing four research faculty members, five postdoctoral fellows, and 13 graduate students, and more than \$10 million in research funding. For the past four years, he has also been the director of a National Institutes of Health Nanomedicine Development Center, one of eight centers in the country, which is moving to UK.

Jon Thorson, who started at UK on Oct. 31, was recruited to the UK College of Pharmacy to lead the College’s new Center for Pharmaceutical Research and Innovation (CPRI). Thorson’s research is focused on developing antibiotics and anticancer drugs from natural products.



# The President's Report

Issue 30 January 2012

## A Letter from the President



When we set off on the Bucks For Brains initiative in 1997, we wanted to elevate higher education to the point that UofL is as well known for research as we are for basketball.

I was honored to help lead then-Gov. Paul Patton's team, along with legislators from both sides of the aisle, as we worked to create a stronger economy through a focus on education. Over the years, UofL has become an economic driver for our region, in part, due to the multiplier effect of the Bucks for Brains program. We've matched state dollars with philanthropic gifts to hire the best faculty members we can find. Those faculty members are commercializing their research and boosting our economy.

In a more tangible example, Kentuckians' lives have changed for the better through research results from bioengineering, business and medicine. We are truly making a difference. As an investment, Bucks For Brains has paid for itself many times over to the point we're now reaping Brains for Bucks. With the federal research grants they obtained, our endowed chairs and professorships have generated hundreds of millions of dollars that can be tied back directly to Bucks for Brains.

The bottom line? We are now competing for the brightest students, more research dollars and world-class faculty. Bucks for Brains made that possible. UofL is truly becoming a premier metropolitan research university. The future possibilities are endless as we continue this mission.

## Bucks for Brains: Changing Lives. Changing KY.

The Research Challenge Trust Fund, commonly known as "Bucks for Brains," is a strategic investment in university research designed to create new jobs, generate new economic activity and improve lives of Kentucky's citizens. The University of Louisville's Bucks for Brains program is meeting that goal and achieving outstanding results by producing a net economic impact of over \$840.6 million for the Commonwealth of Kentucky.

UofL's Bucks for Brains faculty have made great strides in pioneering research, improving the health of their patients, and bettering of the community. Now the Bucks for Brains program is a proven economic driver and job creator. The photos below are just some of UofL's Bucks' faculty who have been instrumental in this outstanding economic growth for the region.



**Susan J. Harkema, PhD**  
Owsley Brown Frazier Chair  
Clinical Rehabilitation Research



**LaGreis Kidd, MD**  
James Graham Brown Foundation "Our Highest Potential" Chair in Cancer Research



**Roberto Bolli, MD**  
Jewish Hospital Heart and Lung Institute Distinguished Chair in Cardiology



**Shiping Hua, PhD**  
Calvin and Helen Lang Distinguished Chair  
Asian Studies

University of Louisville's Bucks for Brains program has resulted in:

A net economic impact of  
**\$840.6 million**  
for Kentucky\*

An increase in earnings of  
**\$290.4 million**  
for Kentucky\*

An employment gain of over  
**1,500 in FY 2011**  
for Kentucky\*

An increase in tax revenue of  
**\$19 million**  
for Kentucky\*

An increase in tax revenue of  
**\$3.6 million**  
for Louisville\*

\*Cumulative data from FY1999 to FY2011  
Source: Menoj Shanker, Meech & Shankar, LLC



**Suzanne T. Ildstad, MD**  
Jewish Hospital Distinguished Chair  
Transplantation Research



**Karen Kayser, PhD**  
Renato LaRocca Chair  
Oncology Social Work



**Scott R. Whittemore, PhD**  
Dr. Henry D. Garretson Chair  
Spinal Cord and Head Injury Research



**Nat Irvin, II, PhD**  
Woodrow M. Strickler Chair



**John O. Trent, PhD**  
The Wendell Cherry Chair  
Cancer Translational Research



**Henry J. Kaplan, MD**  
William H. and Blondina Evans Chair  
Ophthalmology and Visual Sciences



**Stuart K. Williams, PhD**  
CII Director and Jewish Hospital Distinguished Chair in Cardiovascular Innovation

**Laman Gray, MD**  
Jewish Hospital Chair in Cardiovascular Surgery



**Robert S. Keynton, PhD**  
Bioengineering Chair



**Craig A. (Tony) Arnold, JD**  
Herbert F. Boehl Chair  
Property and Land Use

Learn more about UofL's Bucks for Brains program at [louisville.edu/bucksforbrains](http://louisville.edu/bucksforbrains)

## Nucleus Activates Tax Increment Financing Downtown

At the turn of 2012, UofL notified Kentucky Governor Steve Beshear and Louisville Mayor Greg Fischer that the UofL Foundation is activating the tax increment financing (TIF) for its downtown district. Nucleus – the foundation’s economic development arm – will begin collecting revenues from the district in 2012.

The downtown TIF district is a 210-acre area that includes the old Haymarket site, the hospital district and housing developments. Nucleus will receive a portion of the new payroll and state taxes generated by businesses in the area, which in 2012 could reach an estimated \$1.3 million.

The revenue from the TIF will continue for 30 years and will grow with increased economic development in the area. There has been more than \$200 million in investment in the area since 2007, said Nucleus CEO Vickie Yates Brown.

UofL will use the TIF funds to finance projects in the area starting in the next 12 to 18 months. Projects could include a parking structure or a second Nucleus-owned building that would provide “wet lab” space for UofL faculty researchers.

“This is a huge step forward for us,” President James Ramsey said. “This will have a profound impact on job growth in this community and will prove that tax increment financing can spur growth.”



The Foundation broke ground on the eight-story, 160,000-square-foot Nucleus building.

## Four local schools join forces to launch the Signature Partnership Education Access Center



The University of Louisville is among four Louisville-based colleges and universities that have announced that they will jointly launch the Signature Partnership Education Access Center, a facility to help adult learners work toward a college degree. The center will open Feb. 1 at Simmons College.



## CHARTING OUR COURSE

The Campaign for Kentucky's Premier Metropolitan Research University



## Frazier Donates \$25 Million to UofL

Louisville philanthropist Owsley Brown Frazier has donated \$25 million to UofL.

The gift is the largest ever made to UofL by an individual and also is believed to be the largest outright gift to any Kentucky college or university.

“This is an incredible gift,” President James Ramsey said, explaining that UofL intends to leverage it “so that this gift of \$25 million becomes \$100 million” through matches. “We’re going to take this and multiply it to keep the university moving forward.”

Frazier put no stipulations on the money’s use. “To me it was appropriate to have the

grant outright to the university and not put any tags for uses on the funds,” Frazier said.

Frazier, immediate past president of the UofL Board of Trustees, holds degrees in law and business administration and an honorary doctorate from UofL. He is the great-grandson of George Garvin Brown, who founded Brown-Forman Corp., one of the world’s largest wine and spirit companies.

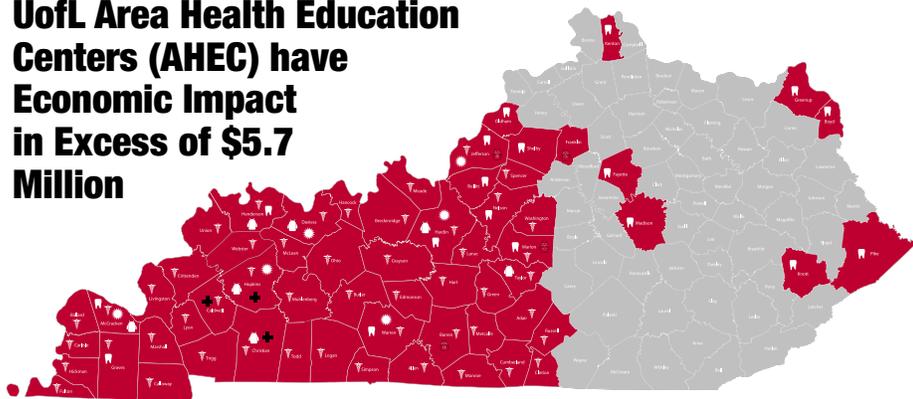
“The University of Louisville is my alma mater, as well as my father’s and brother’s,” he noted. The university “makes me proud every day” through its economic impact on the region. “I give to the

University of Louisville because I love it. I urge others to give to the university. Doing so will support generations to come.”

The new gift brings to nearly \$50 million the amount Frazier and his daughters have given to UofL. In September, UofL named its College of Business building after Mr. Frazier’s brother, the late Harry Frazier.

So far, UofL has raised \$578 million toward the \$1 billion goal set for its comprehensive fundraising campaign, “Charting Our Course: a Campaign for Kentucky’s Premier Metropolitan Research University,” which Frazier co-chairs.

## UofL Area Health Education Centers (AHEC) have Economic Impact in Excess of \$5.7 Million



In 2010 and ‘11, University of Louisville Health Sciences Center faculty and students made an economic impact of more than \$5.7 million in the four regions of Kentucky served by UofL Area Health Education Centers. AHEC faculty from UofL provided donated services valued at \$5,606,599 while their students spent a total of \$108,103 in living and travel expenses in the four regions. These regions encompass 56 counties that make up the western half of Kentucky. The University of Kentucky Medical Center oversees AHEC programs in eastern Kentucky. The AHEC program works to improve the recruitment, distribution and retention of health care professionals, particularly in primary care, in medically underserved areas throughout the commonwealth.

UofL provides physicians, dentists, nurses and other health professionals who practice throughout the AHEC regions with continuing education programs and support services. Kentucky AHEC is funded primarily by appropriations from the Kentucky General Assembly. Additional funding comes from the Health Resources Service Administration of HHS, the University of Louisville and the University of Kentucky. AHEC also receives matching and in-kind funding from a variety of national, regional and local organizations.



The University of Louisville is an equal opportunity institution. The delivery of this publication is carbon neutral. It is printed on 100% post-consumer waste recycled paper. It was produced by the University of Louisville and printed using nonstate funds. 213143 - 01/12

Western Kentucky University news for the Council on Postsecondary Education, February 2012  
 For more WKU news, visit <http://wkunews.wordpress.com/> or [www.wku.edu](http://www.wku.edu).

**WKU online programs earn national ranking from U.S. News & World Report**

In its first-ever ranking of the best online degree programs, U.S. News & World Report has named WKU among the Top 10 schools nationwide in the category of Student Services and Technology for online bachelor degrees.

WKU was also named among the top 15 online graduate degree programs in the category of Student Services and Technology – Education, the top 25 online graduate degree programs in the area of Faculty Credentials and Training – Education and in the top 12 public universities – South Region.

“WKU offers online students access to a wide variety of support services, which sets us apart from many other institutions,” said Beth Laves, associate vice president, Extended Learning & Outreach at WKU. Other WKU programs were consistently ranked among the top 100 schools in the nation in the following areas: Online Business Graduate Degree -- Student Services & Technology, Online Business Graduate Degree – Faculty Credentials & Training and Online Education Graduate Degree – Faculty Credentials & Training. See <http://wkunews.wordpress.com/2012/01/10/online-ranking/>.



Gary A. Ransdell Hall

**Ransdell Hall receives gold LEED certification**

The first building at Western Kentucky University to be built to Leadership in Energy and Environmental Design standards has received the second-highest level of certification.

The U.S. Green Building Council announced that Gary A. Ransdell Hall has earned gold LEED certification. Nate Allen of the USGBC called Ransdell Hall “an incredible facility. I understand that this has been a pilot for future building projects on this campus and because of the success of this, WKU has a commitment to LEED in future projects. That as well is a major accomplishment.”

Project Manager Ben Johnson said the University originally sought certification at the silver level, but scored enough points to reach gold. “This LEED designation is further recognition of the sustainable initiatives that we are undertaking at WKU,” Johnson said.

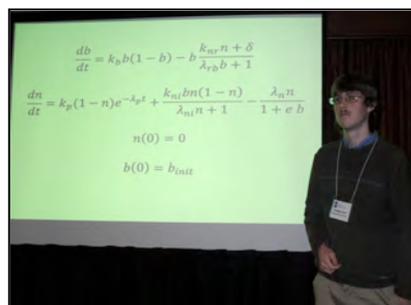
And while state law now requires all new construction of more than \$25 million to achieve LEED certification, WKU was ahead of the game and going beyond. Ransdell Hall was designed before House Bill 2 became law, Johnson said. In addition, the new Music Hall, which opened this spring, is designed to be LEED silver even though it is only a \$9 million project.

The 120,000-square-foot, \$35 million Ransdell Hall, which houses the College of Education and Behavioral Sciences, opened spring 2011. The facility was designed by RossTarrant Architects of Lexington. A&K Construction of Paducah served as general contractor. See <http://wkunews.wordpress.com/2011/11/29/usgbc-gold/>

**WKU students excel on national, international stage**

What began as an independent research project for a student at WKU’s Gatton Academy of Mathematics and Science in Kentucky recently led to a presentation at the largest annual mathematics meeting in the world.

Tennessee “Tucker” Joyce, a second-year Gatton Academy student from Harrodsburg, delivered an oral presentation titled *Using a Mathematical Model to Analyze the Treatment of a Wound Infection with Oxygen Therapy* at the Mathematical Association of America and the American Mathematical Society’s 2012 Joint Mathematics Meeting. The conference brought nearly 7,200 mathematicians from around the world together for four-days in Boston.



Tennessee “Tucker” Joyce

The project uses mathematics to investigate what is an estimated \$5 billion to \$10 billion problem a year in the medical treatment community. “My research involves analyzing a mathematical model to describe the interaction of different cell types in a chronic wound. I presented analytic and qualitative results as well as several numerically generated diagrams,” Joyce said.

On the international front, three WKU students are studying abroad this spring thanks to funding from the Benjamin A. Gilman International Scholarship Program.

Rebecca Akers-Kuczek, a Glasgow senior majoring in graphic design, and Sara Newport, an Oakland senior majoring in political science and graphic design, have each been awarded \$4,500 to attend WKU’s exchange partner, Kansai Gaidai University in Hirakata, Japan. Both will be studying Japanese brush painting, art history and language.

Sarah Nikolai, a sophomore from Mt. Juliet, Tenn., majoring in graphic design and advertising, has been awarded \$4,000 to study at the renowned Lorenzo de’ Medici school in Florence, Italy. She will study Italian Renaissance art history and painting, and will also have the opportunity to participate in the “Art in the Streets” competition, which unites Lorenzo de’ Medici students with local artisans to present art to the community. See <http://wkunews.wordpress.com/2012/01/19/gatton-joyce/> and <http://wkunews.wordpress.com/2012/01/04/gilman-spring2012/>.

### **Youth civic engagement receives boost from White House event**

Being part of a White House event to launch a national initiative on civic education has provided a boost for Public Achievement of Kentucky, a youth civic engagement program developed by the Institute for Citizenship & Social Responsibility at WKU.

“I’m thrilled that the ICSR’s Public Achievement program was highlighted at the White House,” said Paul Markham, co-director of the ICSR. “We are confident that PA will strengthen communities across our city and the Commonwealth.”

Markham is continuing his effort to build partnerships across the state. “We need all the help we can get,” he said. “Kentucky is full of very talented and committed people and we want educators, nonprofits, business leaders and others to know they can make a huge difference in a young person’s life, and we want to show them how to do it.”

Markham and WKU student Bianca Brown, a senior English and philosophy major from Berkeley, Calif., participated in a panel discussion at the event, “For Democracy’s Future: Higher Education Reclaims Our Civic Mission,” to discuss the WKU civic engagement project. See <http://wkunews.wordpress.com/2012/01/18/dcevent-recap/>

### **WKU student leads effort to build school in Ghana village**

When Sarah Hagan participated in Semester at Sea last year, she didn’t realize how the adventure would change her life, and the lives of children half a world away. Hagan, a native of Gray, Ga., who graduated from WKU in December, spent a week in Ghana. She and five other students took a nine-hour journey into the heart of the African nation, to the village of Senase.

From Senase, the group took a 15-minute ride to the village of Akatim on the back of a planter truck in the rain, so they were cold and wet. What they found in Akatim had a profound impact on them.

“As soon as we saw the school, you forgot all of your discomfort,” Hagan said. “It was sticks holding up slabs of a tin roof with holes all through it. There were no walls or floors.” Hagan said the lack of a proper facility was devastating to the children of Akatim.

As they finished their Semester at Sea, the group completed the paperwork to create the non-profit organization, The Senase Project.

“We knew we wanted to rebuild the school and revamp the education system so that the children could pass, but we knew that building a school takes time and it takes a lot of effort raising money,” Hagan said. But as the organization grew, the government took notice. Hagan remains in touch with contacts in Senase and in November, she received photos of a new, three-room block schoolhouse in Akatim.

While the group is rejoicing in the news, it is only the beginning.

“These children now have a schoolhouse,” she said, “but they still need the education to go on to the next phase of their education. Otherwise it is just the same thing in a nicer building.” See

<http://wkunews.wordpress.com/2011/12/01/hagan-ghana/>



*Sarah Hagan with school children from Ghana.*



## News from the Association of Independent Kentucky Colleges & Universities February 2012

### AIKCU students thank state legislators for student financial aid

Student financial aid is always the biggest policy priority for AIKCU and its member campuses, but never is it more important than in this budget year. AIKCU students have mounted a campaign to thank members of the General Assembly for their historic and ongoing support of these crucial student financial aid programs. Kentucky resident students have been asked to write thank you postcards to their hometown legislators. The response has been extremely positive, with students sending thousands of hand-written

postcards to Frankfort. In addition to writing postcards, students are filming video messages for legislators that may be viewed on AIKCU's YouTube channel



*Centre College students write postcards to state legislators thanking them for supporting student financial aid.*

<http://youtube.com/kentuckyprivates>. Additionally, AIKCU presidents and students will travel to Frankfort throughout February to thank legislators in person for supporting KEES and Kentucky's need-based aid programs. Learn more about these efforts at <http://aikcu.org/thankyou>.

### St. Catharine early college part of major CPE grant

**St. Catharine College** is one of the beneficiaries of a 3-year, \$720,000 grant awarded to CPE to boost college readiness initiatives across Kentucky. The grant provides \$40,000 annually for three years to support the Washington County Commander College, a partnership between St. Catharine College, the Washington County School District and Elizabethtown Community and Technical College. The grant will also extend and strengthen the ongoing work of regional assessment academies at Morehead State University, Northern Kentucky University, and Western Kentucky University. Learn more: <http://www.aikcu.org/2012/01/23/st-catharine-early-college-grant/>



*Students listen to an instructor in the Washington County Commander College, a partnership between SCC, Washington Co. schools, and ECTC.*

## Midway College announces new pharmacy partnership

Midway College announced in early January that it is partnering with the University of Charleston in West Virginia to move forward on its goal to educate more pharmacists for rural Kentucky. Under the proposed arrangement, the University of Charleston will establish and operate a branch of its pharmacy school at the Midway College Paintsville campus.

The two institutions signed a letter of intent on December 28, which began a 60-day due diligence period. During that time the schools will explore the feasibility and ramifications of the expansion and seek approval from the Accreditation Council for Pharmacy Education (ACPE). If a final agreement is reached, the University of Charleston would operate the school of pharmacy in Paintsville as a branch campus and would begin offering its full four-year Pharm.D. program in January 2013. For more, see <http://www.aikcu.org/2012/01/12/midway-college-announces-pharmacy-partnership-with-university-of-charleston-wv/>

## AIKCU interns get to work in Frankfort

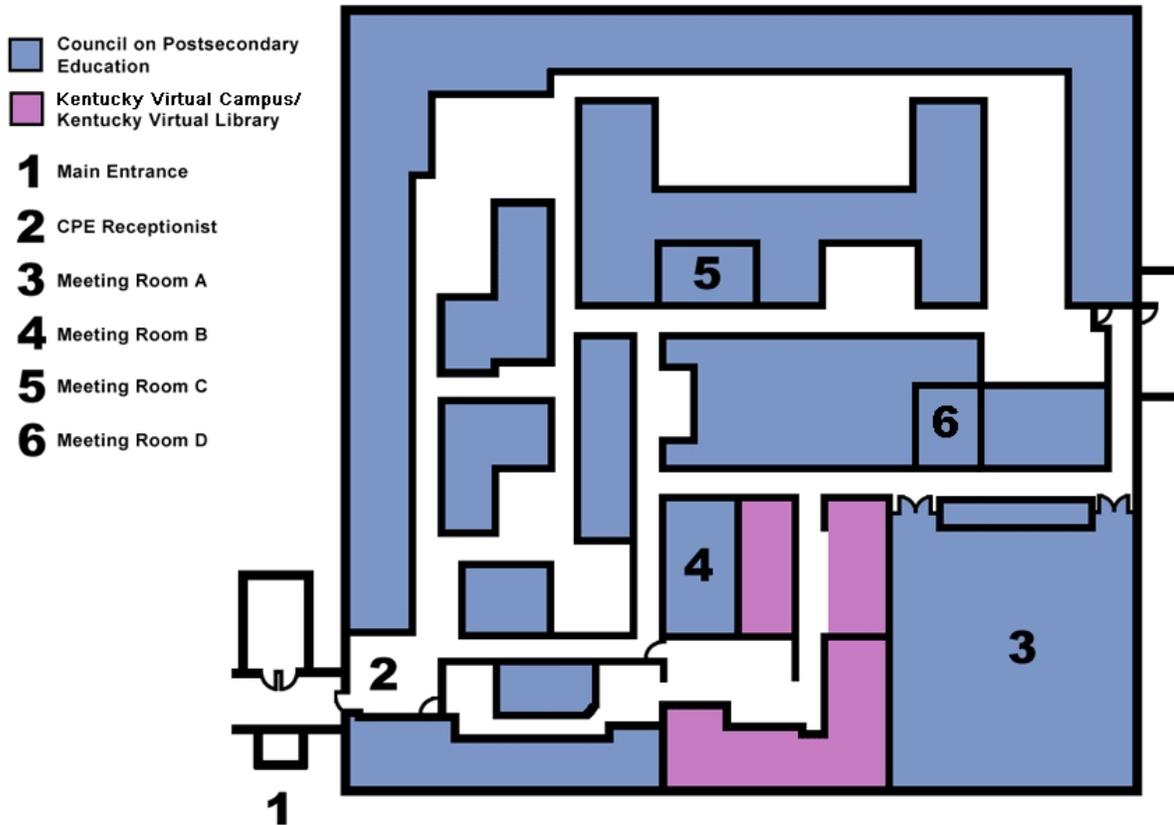
Ten students attending six of Kentucky's independent colleges have been awarded internships to spend their spring semester working in Frankfort with members of the General Assembly, in state government agencies or with private legislative consulting firms.

Students chosen for the 2012 intern class, the schools they attend and the agencies or lawmakers with whom they will be doing their internships are:

- Kelsey Best, a **Campbellsville University** junior from Harrodsburg: *Sen. Kathy Stein*
- Nicole Bistline, a business administration and accounting major at **Union College**: *Capital Link Consultants*
- Keana Mae Crockett, of Bardstown, a **St. Catharine College** senior majoring in management: *Rep. Linda Belcher*
- Kyla Fitz-Gerald, a senior history major at **University of the Cumberlands** from Lexington: *Thomas D. Clark Center for Kentucky History*
- Jamie Holt, an **Alice Lloyd College** senior history major from Westfield, NC. *Thomas D. Clark Center for Kentucky History*
- Ashleigh Lewis, a junior communications major at the **University of Pikeville**. Her home is Warner Robins, Ga.: *Kentucky Retail Federation*
- Stephen Loader, also a **University of Pikeville** communications major from Pikeville: *Sen. Joey Pendleton and Senate Democratic Caucus*
- China Riddle, a junior at **Alice Lloyd College** majoring in English from Virgie: *Sen. Ray Jones*
- Elisha Taylor, a third **University of Pikeville** junior communications major from Elkhorn City: *Rep. Leslie Combs*
- Eugenia Vickers, a **University of the Cumberlands** junior majoring in political science, history and business administration from McKee. *House of Representatives Republican Caucus*

For directions to the CPE offices, visit <http://www.cpe.ky.gov/about/directions.htm>.

## 1024 Capital Center Drive, 3rd Floor



The Council on Postsecondary Education is Kentucky's statewide postsecondary and adult education coordinating agency charged with leading the reform efforts envisioned by state policy leaders in the *Kentucky Postsecondary Education Improvement Act of 1997*. The Council does not discriminate on the basis of race, color, national origin, sex, religion, age, or disability in employment or the provision of services, and provides, upon request, reasonable accommodation, including auxiliary aids and services necessary to afford individuals with disabilities an equal opportunity to participate in all programs and activities.

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# FOUR FOCUS AREAS

**1. COLLEGE READINESS**

**2. STUDENT SUCCESS**

**3. RESEARCH, ECONOMIC, & COMMUNITY DEVELOPMENT**

**4. EFFICIENCY & INNOVATION**

## SIX HB 1 GOALS

- 1. A seamless, integrated system of postsecondary education strategically planned and adequately funded to enhance economic development and quality of life.**
- 2. A major comprehensive research institution ranked nationally in the top 20 public universities at the University of Kentucky.**
- 3. A premier, nationally recognized metropolitan research university at the University of Louisville.**
- 4. Regional universities, with at least one nationally recognized program of distinction or one nationally recognized applied research program, working cooperatively with other postsecondary institutions to assure statewide access to baccalaureate or master's degrees of a quality at or above the national average.**
- 5. A comprehensive community and technical college system with a mission that assures, in conjunction with other postsecondary institutions, access throughout the Commonwealth to a two-year course of general studies designed for transfer to a baccalaureate program, the training necessary to develop a workforce with the skills to meet the needs of new and existing industries, and remedial and continuing education to improve the employability of citizens.**
- 6. An efficient, responsive, and coordinated system of providers that delivers educational services to all adult citizens in quantities and of a quality that is comparable to the national average or above and significantly elevates the level of education of the adults of the Commonwealth.**